

THE INDEPENDENT

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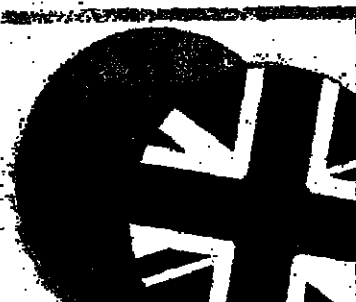
WEATHER: Mostly dry and sunny

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THE INDEPENDENT
AND FOR THE
FAMILY



IN THE TABLOID

IN THE TABLOID

THE INDEPENDENT
AND FOR THE
FAMILY

Blair's pledge to the dark estates

Anthony Bevis
Political Editor

Housing estates where the biggest employer is the drugs industry were yesterday cited by the Prime Minister as part of a legacy of Tory neglect and incompetence.

But Tony Blair said in a speech about the help and hope that Labour would offer the "workless class" of a divided Britain that he wanted government by results.

Dogma would be replaced with rigorous pragmatism, and the balance of action would be shifted from too-late cure to early prevention. "We will support the successes and stop the failures," Mr Blair said.

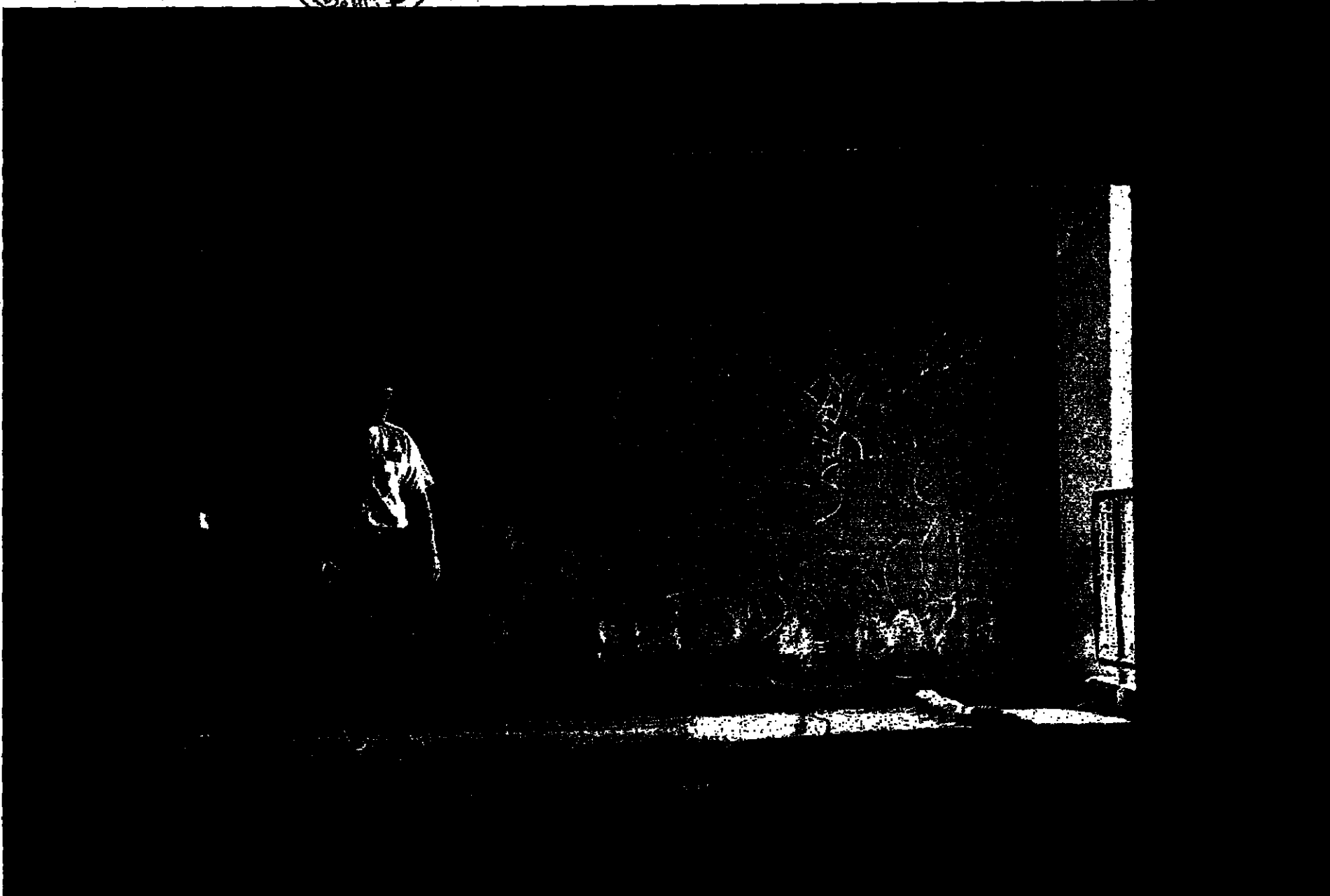
In his first non-parliamentary statement on the approach of his administration to the crisis inheritance, the Prime Minister went to a rundown housing estate in Southwark, south London, to spell out his One-Nation plans to bring back the "will to win" for the people who had been forgotten under 18 years of Conservative government.

"It is a legacy that previous generations of Conservatives would have felt ashamed of," Mr Blair said. "After several years of economic growth, 5 million people of working age live in homes where nobody works. Over a million have never worked since leaving school."

"For a generation of young men, little has come to replace the third of all manufacturing jobs that have been lost. For part of a generation of young women, early pregnancies and the absence of a reliable father almost guarantee a life of poverty, and today Britain has a higher proportion of single-parent families than anywhere else in Europe."

The raw statistics included 150,000 deemed to be homeless and, possibly, as many as 100,000 children not attending school in England and Wales.

Adding to his litany, Mr Blair said nearly half of all crimes were concentrated in only a tenth of neighbourhoods; dozens of failing schools were



A security guard on the Aylesbury estate, London, visited by Tony Blair yesterday, patrols a disused underground car park shut down by vandalism

Photograph: Peter MacDiarmid

threatening another generation with unemployment and failure; housing estates, where only one-third of homes had a telephone, were cut off by poor public transport.

"Behind the statistics lie

households where three generations have never had a job. There are estates where the biggest employer is the drugs industry, where all that is left of the high hopes of the post-war planners is derelict concrete.

Behind the statistics are people who have lost hope, trapped in fatalism. While the country's leaders had faced the challenge of creating a welfare state after the last world war, today's challenge for

everyone, not just government, was to bring the new "workless class" back into society.

Last night, Peter Lilley, one of the challengers for the Conservative leadership, said two days of tough headlines had

turned out to have the "finest of foundations". He added: "In Opposition, Labour lived by soundbites, but they can't expect to govern by soundbite, too."

But Mr Blair said the Tories had failed the challenge of a di-

never guessed that social security spending would double since 1979... that crime would more than double, or that benefits for lone parents would now cost £100m each year."

Stressing that there was no question of penalties for single mothers, who would be offered help to get them off benefit, Mr Blair repeated that there was no option of an inactive life on benefit for the 250,000 young people who would be offered work or training under the welfare-to-work programme to be financed by the windfall tax Budget, on 2 July.

"Work is the best form of welfare," Mr Blair said. And to create the opportunity for work, the way government works had to be changed.

"Before embarking on new policies, it is salutary to remember that the equivalent of all the revenues from North Sea Oil has been spent on poverty over the last 25 years - yet poverty got worse. If we are to succeed, and to avoid the pernicious combination of profligacy and neglect, it is incumbent on us to learn from the mistakes of the past."

Mr Blair said the Tories had fallen into the trap of short-termism; dealing with the results, rather than causes; more was spent on unemployment than on education and training.

The Prime Minister also said that the Government machine lacked coherence and communication, too often working at cross purposes. "This matters," he said, "because it leads to poor policy and wasted resources... like excluding pupils who then become a huge burden on the police."

The third mistake made by the Conservatives was in allowing policy to be driven by dogma, rather than common sense, Mr Blair said he wanted departments, companies and communities to seek out what worked. "We will back anyone if they can deliver the goods," he said.

Donald MacIntyre, page 19
Blair's visit, page 3

Jospin faces a rough ride after coasting to victory

John Lichfield
Paris

At one point during the French election campaign, Lionel Jospin was heard to say: "I just put my head down on the handlebars and I don't think about the road ahead." On Sunday, Mr Jospin, the First Secretary of the Socialist Party, led the Left to a stirring victory in the political equivalent of the Tour de France.

Tomorrow at 11am he will become Prime Minister. Abruptly, the road ahead, steep, twisting and scattered with potholes, is his responsibility.

The cycle-racing metaphor, and other guarded comments during the campaign, suggest that Mr Jospin knows that elements of the Socialist programme are unlikely to survive contact with reality. Even before the second round of the election, Socialist leaders were dampening public expectations: all would depend on their budgetary "margin of manoeuvre", perhaps the mandatory reduction in the working week to 35 hours would mean some slight loss of pay after all.

Mr Jospin has promised, above all, to create a different governing culture, one in which politicians "tell the truth and do what they say they are going to do". He knows that another failure by the Left - by any government after five zig-zags of political direction in 20 years - could do serious damage to French democracy.

On the far-right, Jean-Marie Le Pen was confidently for another political disaster. The centre-right, humiliated on Sunday, may be ready to implode. Dissident parts of both the Gaullist RPR and the UDF alliance may, in extremis, be prepared to think the unthinkable and do deals with the National Front.

Mr Jospin is an honest, competent, likeable man. He got off to a brisk start yesterday after being formally offered the premiership by a chastened and severely



Jospin: Promises a different culture

weakened President Jacques Chirac at the Elysée Palace.

Mr Jospin promised to announce his government by the end of the week. It is likely to include at least two Communist ministers and some old Socialist favourites - perhaps Jacques Delors or Jack Lang - as well as several rising stars such as Mr Delors' daughter, Martine Aubry, and the Mayor of Strasbourg, Catherine Trautmann.

But even before the demands arrive from the Communists and other allies in the left majority, Mr Jospin must know that he cannot easily deliver the promises made by his own party. Preserve the single currency, but soften the Maastricht guidelines. Create 700,000 subsidised jobs at a final cost of £3bn a year, but allow no increase in the total tax take. Reduce VAT on some items and social charges on business; but soften the last government's welfare reforms and abandon the sell-off of France Telecom.

It will probably fall to Dominique Strauss-Kahn, the Socialist's economic spokesman, who invented this programme, to try to make it work as Finance Minister.

In Britain, Labour inherited good growth, low inflation and low unemployment. In France, Mr Jospin inherits high unemployment (12.8 per cent), stuttering growth and a half-chewed, anti-state, supply-side revolution. Will he abandon this entirely, or complete parts of it?

During the campaign, Mr Jospin said the principal requirement was to boost domestic demand. He promised a conference in the first month between government, employers and unions to push up wages. He said the deflationary policies of the Alain Juppé government were self-defeating: reducing growth, reducing tax income, increasing government spending and forcing further cuts. There is some truth in the criticism. Ceasing the deflationary efforts to squeeze the French foot in the glass slipper of Maastricht may help a little.

But what if EMU implodes, or is delayed, forcing up interest rates, cutting the foreign investment in France which was beginning to pick up?

Tony Blair in Britain and Bill Clinton in the US were able to position themselves as the inheritors, and humanisers, of an anti-state revolution which had succeeded but left many victims in its wake. The revolution has not yet happened in France. Some on the French left argue that they will be able to invent a new way, mixing piecemeal state reform with greater concern for the human costs of globalisation and computerisation. Others admit that the Socialists are still inventing policy on the hoof.

Mr Jospin has placed a great stress on abandoning the monarchical, patronising style of previous governments. If he delivers on at least this promise, it will help. But he will not be judged by it. He will be judged by his success in delivering growth and jobs.

Tremor shakes Right, page 10 and 11

Five years on, the news from Rio is failure

Nicholas Schoon
Environment Correspondent

Five years ago today the United Nations Rio Earth Summit opened in Rio de Janeiro. At the time it looked like a historic event; the largest gathering ever of prime ministers and presidents, held to address a gathering environmental crisis which had been the subject of intensive debate and research for more than two decades.

More than 70 presidents and prime ministers have pledged to attend a follow-up event in New York, Earth Summit plus Five, later this month.

But it looks like being as empty an event as the 1992 meeting in Brazil - another long text to be negotiated which no one reads and is soon forgotten, stirring speeches, empty agreements. For the record, the UN Conference on Environment and Development (its official name) is largely one of failure.

The developed countries, with the exception of the United States, pledged to strive to increase their aid to the Third World; it has fallen sharply since. They said that by 2000 they would stabilise their rising emissions of climate-changing greenhouse gases; it now looks certain that the great majority will fail to keep that commitment, with Britain and Germany the two major exceptions.

For at least a quarter of a century, it has been convincingly argued that humanity is on a road to disaster because it is failing to take a long-term view of its crucial relations with nature and natural resources.

It is not the end of the world which is looming, but a series of interconnected crises - climate change, lack of fresh water and fertile soil, collapsing fish stocks - in the first few decades of the next century. Unless action is taken now, the costs of adapting to this degraded world will be colossal, and the toll will be measured in ill health, early deaths and insecurity as well as in money. The harm mounts as each year of inaction passes.

Since 1992 there has been strong economic growth globally, partly from huge increases in international trade and private-sector investment flowing from rich countries to poor. So development is taking place: by and large people around the planet are living longer, enjoying better health, seeing living standards rise. And while much of that prosperity does more environmental damage, it also provides societies with the resources to tackle the problems - if they choose to.

But the gap between rich and poor is widening, within countries and between them. The planet could do with a real Earth Summit, when world leaders really do make history and change course towards sustainability. But at the moment, New York seems more likely to consist of mere words and a group photograph.

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Halifax bonanza
Halifax members who sold their shares when the bank floated yesterday received windfalls worth an average of £2,400. The shares began trading at £774.5 and closed at £745.

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news

significant shorts

Belfast council votes in first nationalist mayor

Belfast councillors last night voted in the first-ever nationalist Lord Mayor in the history of the city, following the recent council election in which Unionist parties lost their overall majority in the city.

The new Lord Mayor is barrister Alban Maginness, 47, of the Social Democratic and Labour Party. He was elected with the support of Sinn Féin and the cross-community Alliance Party. Mr Maginness, who has been a city councillor for 12 years, last night said that the city's political mould had been broken. But he added: "Its fracture does not mark a defeat of one political tradition by another. Nor is it a victory, but rather it signifies a bold step towards the creation of a partnership amongst the political traditions in this divided city."

David McKibbin

CJD variant kills 15th victim

Another Briton has died of "new variant" Creutzfeldt-Jakob disease (nv-CJD), the fatal illness which is linked to consumption of food contaminated with bovine spongiform encephalopathy (BSE), or "mad cow disease" and has so far affected 17 people in the United Kingdom.

The latest monthly figures, published yesterday by the CJD Surveillance Unit in Edinburgh, show that two people have died of nv-CJD this year, and a total of 15 since the disease was first identified about 18 months ago. Two people who have been diagnosed with the disease are still alive. Scientists cannot say how many people will be affected because the disease has a long incubation period, often of more than a decade.

Charles Arthur

Crackdown on violence in hospitals



Measures to improve the safety of patients and staff in accident and emergency departments were announced by the Government yesterday. New guidelines, sent to National Health Service trusts, cover matters from decor and lighting to the arrangement of furniture and positioning of alarms.

Baroness Jay (left) the Health minister, said the Government was keeping its promise to help reduce assaults on nurses, doctors, and other staff working in the NHS.

"Hard-working and hard-pressed staff in the NHS are entitled to feel they can go about their daily work free from the threat of violence and intimidation. We want to help them to do so," she said.

Jeremy Laurence

Councils to seek value in services

Councils will no longer be forced to invite private firms to bid to run services. Local Government minister Hilary Armstrong announced yesterday. Instead of compulsory competitive tendering (CCT) local councils will be required to seek "best value". This will amount to a sort of promise by councils to seek the most efficient way of delivering services. But the Government also plans to keep a reserve power to send teams of managers into councils that fail to satisfy official auditors that they are providing services cost-effectively. The best-value formula was agreed with the Local Government Association when Labour was in opposition.

David Walker

Racism commission faces tribunal

An Asian employee of the Commission for Racial Equality began her claim for racism against the commission at an industrial tribunal yesterday. Raj Naidoo claimed at the tribunal in Croydon, south London, that she was twice passed over for a job in the CRE's legal department in 1993 and again in 1995. The hearing continues today.

Pupils win trial for crumbling school

Two parent governors and their teenage sons yesterday won the first round of a test case to have vital repairs totalling £2m carried out at a comprehensive school. The city's education department had urged the magistrate to throw out demands for the repairs to be carried out at Childwall comprehensive in Liverpool. But lawyers for the pupils and governors, who allege that the conditions in the buildings are prejudicial to health, argued that the issue should go to trial and a hearing was fixed to begin in 20 October.

Winds fan nature reserve blaze

More than 80 firefighters from Shropshire, Mid Wales, Staffordshire and Hereford and Worcester brigades were yesterday tackling a huge blaze fanned by high winds on the Long Mynd in Shropshire which started in an area of heather and gorse and spread to Forestry Commission land, engulfing 50 acres by evening. The Long Mynd, a 16-mile ridge which runs along the England-Wales border, is a valuable habitat for rare birds and flowers and much of it is a designated nature reserve.

Matthew Brace

Greenpeace

Greenpeace was not identified in last week's report by the Institute of Welsh Affairs (page 2, Saturday) as one of the un-named environmental pressure groups which formed "cozy" relationships with the media to exploit for its own ends the grounding of the Sea Empress at Milford Haven. We are happy to make this clear.

people



The governor, Janet McTeer receiving her Tony award in New York for best actress in Ibsen's *A Doll's House*. Her co-star and fellow Briton, Owen Teale, took best actor in a triumphant night for the production imported from London. It also picked up

the best director award for Anthony Page. Earlier this year American Equity threatened to ban the production claiming some of the parts could be played by American actors, but the producers refused to compromise

Photograph: AP

Clinton aide strengthens Blair's White House link

Sidney Blumenthal's appointment as a top aide to Bill Clinton has added further lustre to the fast-blossoming relationship between Tony Blair and the American president: the leading liberal journalist is a close friend of both leaders.

A journalist for 27 of his 48 years, with stints at both the *New Republic* and most lately at Tina Brown's *New Yorker* and several well-regarded books under his belt, Mr Blumenthal is the latest proof of how the revolving door between politics and the media is spinning as fast as ever in the US.

Early in his first term President Clinton enlisted David Gergen, the moderate conservative columnist, to help sort out his chaotic fledgling administration. Mr Gergen left after clashing with the celebrated George Stephanopoulos - who in turn departed the White House last year for the lucrative and more tranquil pastures of authorship and ABC News.

Now it is Mr Blumenthal's turn. His new post of as-

stant to the President, which he is due to start next month, will see him deeply involved in policy making and speech writing. Proof of his status, he is being given one of those coveted offices in the West Wing itself, scarcely larger than cubbyholes, but within spitting distance of the Oval Office.

His appointment is another sign of how the "special" is fast returning to the relationship between London and Washington, in the era of New Democrats and New Labour. Not only is the Anglophile Mr Blumenthal one of the dwindling band of Clinton cheerleaders in a largely disillusioned US press corps.

He is also very close to Mr Blair, whom he first met as Shadow Home Secretary before hosting a much noted cocktail party at his home during the Opposition leader's visit to Washington in April 1996, and then writing a highly sympathetic *New Yorker* profile of Mr Blair that was his introduction to the wider US public.

Rupert Cornwell

Twins were just misunderstood, says Kray brother

Charles Kray told a court yesterday that his twin brothers Ronnie and Reggie were much misunderstood, kind-hearted people who had great respect for the public and would help anybody.

The perception that the twins were "vicious and bloody gangsters" was wrong, and in the East End of London their reputation was still high, he added.

A frequently weeping Mr Kray, right, was giving evidence at Woolwich Crown Court in south-east London where he is accused of involvement in a £39m drugs plot.

Mr Kray, 70, said he often played the role of peacemaker where his brothers were concerned. Questioned by his defence counsel, Jonathan Goldberg QC, he agreed "the public perception was of very violent and bloody gangsters" but insisted they were wrong "until you knew them."

He continued: "Ronnie had a mental illness and had certain mood swings and roundabouts. When he was alive he was a kind-hearted man who would help anybody, but he was not responsible when he had those moods."

"Reggie had a few fights and things like that but when his wife Frances died he kind of had a death wish."

"We know what they did was



wrong but normal people in life they always treated with great respect and always helped. If you go to the East End and ask about them people will say they always helped people as best they could."

Mr Kray told the jury he was "just telling stories" to undercover detectives when he offered to sell them cocaine because he thought he could make money from them through his famous name. Mr Goldberg said Mr Kray had a burden similar to other famous people, citing Jimmy Carter and his "buffoon" brother Billy, and John Major and his brother Terry.

The case continues. Kim Sengupta

Asylum doubt for abused British boy

A 12-year-old boy faces being repatriated from Canada to Britain despite fears that he cannot be protected from being abused by his father and paternal grandparents.

The Canadian Immigration and Refugee Board ruled in January that the boy should be granted asylum because the British authorities could not guarantee his protection from abuse.

But the Canadian immigration minister Lucienne Robillard will attempt to overturn the decision.

The boy, who lives with his American mother and British stepfather, is said to be a "nervous wreck" at the prospect of coming into contact with his British father, a former United Nations official. He is under "suicide watch" at a Toronto hospital.

The Foreign Office said last night that if the boy was to be sent home, officials would negotiate with social services in order that the boy would not be harmed.

Court papers make it clear that there are fears that the boy could suffer continuing abuse from his father. The papers do not name the boy or the British local authority deemed incapable of protecting him. The decision to give an incest victim refugee status for "fear of persecution in their homeland" is understood to be the first of its kind made in Canada.

Ian Burrell

briefing

HEALTH

Doctors plan to unmask 'disease in disguise'

A "chameleon" disease which affects up to 30,000 people in the United Kingdom - nine out of 10 of them women - is being misdiagnosed because of its capacity to disguise itself.

The Arthritis and Rheumatism Council yesterday launched a campaign to improve awareness of the little-known disease, called Lupus, which can cause kidney failure, destroy joints and trigger miscarriage. Misdiagnosis prevents early treatment which is essential for patients' survival and quality of life.

Lupus is an autoimmune disease in which the immune system attacks itself and symptoms can mimic those of diabetes, multiple sclerosis or even schizophrenia. Many patients are referred to rheumatologists because GPs think they have got arthritis. Symptoms of lupus range from joint and muscle pain to heart problems, ulcers, fever and rashes. Almost a third of patients develop kidney disease.

Treatments are more successful than 20 years ago when high-dose steroids were prescribed causing serious side effects. Today the same drugs are used in lower doses and deaths have fallen and quality of life improved but the earlier treatment starts the better the chances of success, the charity says.

Jeremy Laurence

PERSONAL FINANCE

Ernie still going strong at 40



Ernie celebrated his 40th birthday yesterday with the claim that the National Lottery has helped increase premium bond sales.

An updated Electronic Random Number Indicator Equipment, or Ernie for short, still chooses the winning numbers 40 years after the inception of the scheme in which investment has increased from £600m in 1994 to £2.6bn last year.

With the top monthly payout of £1m, so far 39 millionaires have been created and 23 million people currently invest.

Every investment has a 19,000-1 chance of success and National Savings, which operates the draw, claims that it has shaken off its rather old-fashioned image.

Its chief executive, Peter Barea, said: "The bonds have shaken off their image of being presents to grandchildren. More and more people are seeing bonds as a brilliant investment scheme. The publicity for the National Lottery has helped premium bonds. It encourages people to gamble, although with bonds you can reclaim your investment."

ENVIRONMENT

Cornish sea turtles under threat

A sea creature that lived through the rise and fall of the dinosaurs is under threat in British waters, a wildlife group has warned.

Three species of marine turtle, which hatch on tropical beaches before swimming to feeding grounds off the Cornish coast, are at risk from fishermen's nets, power-boat propellers, oil contamination and internal blockages from plastic debris they mistake for food.

To try to ease the problem, the Cornwall Wildlife Trust is launching a "Be turtle-aware" message for World Oceans Day this Sunday. The trust's education officer, Mark Nicholson, said: "The leatherback turtle, which can grow to over eight feet, is the one we see most often. If people know turtles are here at all, they tend to assume that they've wandered off course from the tropics. In fact, they migrate here on purpose to feed - they're part of our wildlife and we have a duty to look after them."

The Trust is launching a turtle code, which will advise fishermen and others on how to help turtles in distress.

TRANSPORT

Quarter of lorry journeys wasted

More than a quarter of the miles travelled by goods vehicles are completed with the lorries carrying no loads, figures out yesterday show. Last year, 28.7 per cent of goods vehicle mileage was "run empty", statistics from the Department of Transport revealed.

It was an improvement on the 1995 figure of 29.4 per cent. Then, the amount of empty containers on Britain's roads was a major factor in the decision by the transport secretary, Dr Brian Mawhinney, to produce a rare Green Paper to try and improve the use of the motorway network. However, experts point out, that haulage firms have become more efficient. In 1980, nearly 33 per cent of lorries "ran empty".

Randeep Ramesh

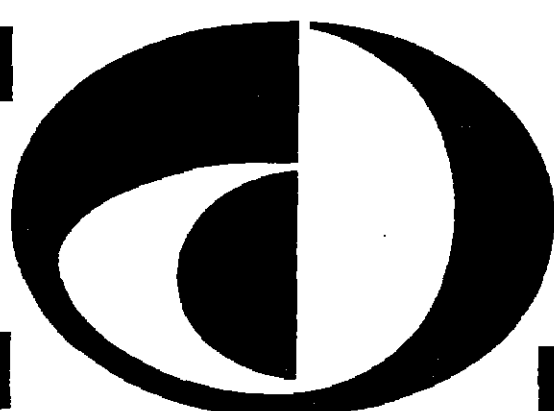
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Joshua's timetable	Gets up after his younger brothers have left for school.	May help mother with some housework if it is needed.	Back in bedroom to read comics and maybe a book.	Lunch followed by television or games for three hours.	Brothers return. Goes to park to play and talk.	Back home for tea and more television or games.	And so to bed. Ready for another day of television.
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A day in the life of one of the 100,000 children absent from our schools



'Miss education': Joshua Mitchell, at home in west London, spends much of the day in front of the television

Photograph: Andrew Buurman

Judith Judd
Education Editor

Joshua Mitchell is 15 today. While his friends go to school, he will spend the day reading comics or a book or watching television – as he does most days.

Joshua, who lives in Southall, west London, was permanently excluded from his Ealing comprehensive school at the beginning of April for "offensive behaviour" to a teacher and has not attended school since.

He is one of the 100,000 children, referred to by Mr Blair yesterday, who are not attending school either because they have been excluded or because they are playing truant.

Joshua is gloomy about his future. Until April, Joshua's hopes were high. He was doing well in PE and planning to become a PE teacher or lecturer when he left school. He was also intending to take GCSEs in other subjects next summer.

Now, his life has changed. He gets up at about 9am, just after his two brothers, aged 11 and 12, have set off for school. Then, if his mother needs him, he helps her tidy up the house for an hour or so.

By mid-morning he is back in his room, where he spends most of the morning. He reads action comics – *Brigade* and *Young Blood* are his favourites – and sometimes a book by his favourite author, Roald Dahl.

He does try to do some schoolwork by going through the exercise books he brought home after his exclusion. But I am just going over stuff I have done already. I am not learning anything new. It gets boring," he said yesterday.

By lunchtime, it is time for television. He likes cartoons and watches *Neighbours* and *Home and Away*. He may play on the computer for half an hour but he spends most of the afternoon looking forward to the time when his brothers come home from school.

He takes them to a little park just opposite the house. He watches them play or talks to his friends. By 8pm he is back home. More television. More computer. And bed at about 10pm.

On some days Diane Mitchell, his mother, who has a diploma in early years education, teaches him for an hour or so. Mrs Mitchell, who had understood that her son would be transferred to another comprehensive school, has just heard that he is being sent to a special unit. "I am in a state of shock. I refuse to let him go. My son is not a juvenile delin-

quent. I won't let him go somewhere where the other children don't want to learn."

Both she and Joshua accept that he argued with a teacher but they deny that he swore at her at her and they say that he left the class when she told him to go.

Joshua said: "I feel bad, very bad. When you are reading a book on your own you get bored quickly. I miss education. I miss my friends. What I want to do is just go back to school."

Even the stairwells were perfumed for Blair's visit

Jojo Moyes followed the Prime Minister to the Aylesbury estate in south London



Tony Blair yesterday at the Waltham estate where 59 per cent of 2,400 households are on housing benefit

Photograph: Peter Macdiarmid

It was obvious the stairway that Tony Blair was going to use on the Aylesbury estate. It was the only one that had been disinfected, its customary scent of urine replaced by a heady "spring freshness".

"They have never done that to my stairs," said Daphney Mackenzie. "They always smell of urine. Sometimes I go out onto the stairwell and I even find number twos there."

Daphney Mackenzie has lived on the Aylesbury Estate in Waltham, south London, for 27 years, and was one of its first tenants.

"It was lovely, marvellous, a very safe place. People used to envy me living here." Now, she says, it should be burnt down. "It's all gone. People are in and out, so you don't get any sense of community. I was burgled twice. My daughter was burgled twice. Those stairs that Tony Blair is using, they've put all the rubbish from them outside my flat – I hope the kids don't set light to it."

Her fears are not unfounded. The Aylesbury Estate, until recently, had a reputation even among police as something of a "no-go area". The sprawling Seventies estate, one of the largest in Europe and housing some 2,400 households, was meant to be a "system-built" dream. You can see something of it in the layout: some architect probably imagined young families playing in its vast green spaces, and walking futuristically along its elevated walkways. But the grass is dead and yellowed, the brightly coloured paint that tried to brighten the rough-cast concrete now peels off in clumps and the walkways had to be knocked down 18 months ago to stem the mugging and burglary rate.

As with the most notorious estates, the Aylesbury has bred its own vicious circle of problems. A spokeswoman from Southwark Council reels off the statistics: 17 per cent of households are registered unemployed, 59 per cent are on housing benefit and 78 per cent of its 17-year-olds are not in full-time education. There are more lone

parents on the estate than anywhere else in the borough. There is nothing for kids to do anyway, say the residents. So they take drugs, or smash the lights in the corridors so that they can vandalise and steal without being seen.

Some of this has been tempered by the introduction, two years ago, of private security firms who now patrol the estate in the evenings. Closed circuit cameras are also employed in trouble spots and there is a thriving neighbourhood watch scheme in place.

"It has got better," said Paul Thomas, who had lived there four years. "The high-rise areas seem to have the most problems. But if people haven't got anything to do then they're going to end up in crime."

For this reason the estate's young are seen as a crucial part of its regeneration. The Cadcam training centre in the notorious Wendover blocks, which Mr Blair was visiting, is a key part of that. Since its inception in 1991, it has seen nearly 4,000

local people pass through its doors, to take vocational training in subjects like information technology and graphic design. It offers home-based schemes, whereby single mothers have computer terminals wired into their homes and learn through modems.

Its success rates are unusually high: more than 80 per cent of young people go on to jobs or further education. "We have these disaffected youths just hanging about, with no motivation. We go out and recruit them, bring them in here and find something to interest them," said Maura Santos, who runs the centre.

"There are people who need a lot of persuading. But these are people who have suffered massively. There are terribly sad stories on this estate." Those sad stories – the man who had had no heating for two years, the suicide, the gun siege and the schizophrenic who had killed his mother – were briefly forgotten yesterday, as Mr Blair pulled up in his dark green Jaguar.

Bronzed and beaming, he reached out and shook the hands of the few cheering residents that had waited for his arrival. Daphney Mackenzie was one of them. "I'm not going to wash my hands now," she smiled afterwards.

Emmanuel Metzger, a hotel worker, was another. "It makes a difference, him coming here. I'm happy to see him today. He cares for the masses," he said, watching as the Prime Minister disappeared up the disinfected stairs. "We are praying for Mr Blair, that everything goes well for him. So that he can make a difference."

'Crash' finds way round censor

David Lister
Arts News Editor

The controversial film *Crash* will open in the West End of London despite being banned by Westminster City Council. Distributors Columbia Tri-Star have cooked a snook at Westminster's ban by organising a "ring of screens" around Westminster for the movie.

The film, which explores supposed links between sex and car crashes, will open on Friday at the ABC Shaftesbury Avenue, just yards from Leicester Square, the hub of London cinema.

However, the ABC is technically in the London borough of Camden and outside Westminster's jurisdiction.

Columbia Tri-Star has also managed to have the film screened from this weekend in Kensington, Notting Hill and Fulham Road in the borough of Kensington and Chelsea, and Tottenham Court Road and Swiss Cottage in Camden, all outside Westminster, but all part of London's main cinema network.

Crash will also open at 50 other cinemas across Britain this weekend, with only Westminster, High Wycombe, Walsall and Lancashire continuing to enforce council bans despite the British Board of Film Classification giving the film an 18 certificate.

A spokeswoman for Columbia Tri-Star said: "Obviously once the ban was enforced the distributors were looking for good West End sites. And we have found them. The other councils in London did not even ask to see the film. They were content to abide by the verdict of the BBFC."

The film's executive producer Chris Auty said: "It will seem bizarre to the rest of the world that a film can be banned from one group of cinemas but shown at another just a few yards away."

Crash, directed by David Cronenberg and starring James Spader, Holly Hunter and Rosanna Arquette, focuses on a group of people who gain sexual stimulation from car crashes. The film – based on the novel by JG Ballard – is, however, made in a stylised manner depicting its central characters as unfulfilled, and the sex as cold and unerotic.

Last month, Westminster banned the film from its cinemas declaring it to be "bordering on obscenity", liable to lead to copycat action and guilty of depicting women in a "sexually humiliating way".

Westminster's licensing sub-committee chairman John Bull explained the council's reasons for the ban, saying: "The main characters in the film are shown as being sexually attractive, independently minded, interpersonally powerful, effective and tenacious."

"In short they are depicted to be attractive role models. It is for this reason the sub-committee found the deviant behaviour of the main characters in relation to sex and car crashes most disturbing. It is argued that the film taken as a whole could deprave and corrupt."

In his plea to the committee, Mr Auty said: "It seems to me that any commonsensical person seeing the film will acknowledge that it paints a disturbing world, one which has become cold, technological, dehumanised. *Crash* clearly warns us against dehumanisation, against a society drifting into affectlessness."

Leading article, page 17

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news

How a quiet man died in another bloody Ulster ritual

David McKittrick
Ireland correspondent

The killing at the weekend of an off-duty policeman by a drunken loyalist mob looks set to join the list of Northern Ireland atrocities which remain burnt in communal memory long after other deaths are forgotten.

The appalling brutality of the attack has sent shock waves even among those who have lived through the 3,500 killings of the Troubles. It has also increased the dread that this summer's marching season could be as disastrous as last year – for the death had its roots in the bitter business of contested parades.

The officer who died was Gregory Taylor, a 41-year-old constable who lived two miles outside Ballymoney in County Antrim. He was the father of three children, one of whom suffers from cerebral palsy.

He had gone for a drink with two friends, one of them another off-duty policeman, to Kelly's Bar in Ballymoney, a small pub crowded that night with more than 100 customers.

In the upstairs lounge he was identified as a policeman, jostled and abused about the RUC's action in keeping a recent Orange parade out of the Catholic village of Dunloy. Someone shouted at him: "Why don't you clear off and do your drinking in Dunloy?" A num-



PC Taylor: Tried to get help

ber of those in the bar were members of local loyalist bands.

Aware that he was in danger, the constable used his mobile phone in an attempt to summon police help. The fact that it was not forthcoming is now the subject of an internal RUC inquiry since it has emerged the nearest patrol car was several miles away.

When the two constables left the bar, in the early hours of Sunday, a reception committee was waiting in the street. The other policeman claimed he was a doctor and was chased away, but Constable Taylor was attacked mercilessly. As he lay bleeding in the gutter, his assailants took turns to kick him and stamp on his head. The constable did not take long to die; but when someone suggested getting help, one of the mob

yelled: "He doesn't need a doctor."

Last night, 15 people, including a number of loyalist bandmen and three women, were being questioned by police about this latest gruesome addition to the seemingly endless list of victims of the Troubles.

Ballymoney has escaped much of the effect of the Troubles, but over the last year some of the surrounding parts of County Antrim have been affected by disturbances arising out of last year's marching season. Residents of Dunloy objected to loyalist parades and in the ensuing stand-offs the RUC prevented the marchers from going through.

In nearby Ballymena, political heartland of the Rev Ian Paisley, loyalists retaliated by staging weekly pickets of Catholic churchgoers. These protests dragged on through the winter, and as a result the marching season – traditionally a feature of the summer – in effect turned into a year-round phenomenon.

On most weekends the protests passed off reasonably peacefully, but on occasion crowds of loyalists clashed with the sizeable force of RUC assigned to ensure safe passage for the churchgoers. In nocturnal follow-ups, the homes of several RUC officers were attacked. And on Saturday night, the loyalists' smouldering anger ignited with murderous results.



Uncertain times: Scottish fish producers' calls for tariffs went unheeded. Photograph: Brian Harris

Europe threatens salmon farmers

Katherine Butler
Brussels

Scottish and Irish fish farmers claimed yesterday that 7,000 jobs in the industry remain at risk from a flood of cheap Norwegian salmon after the European Commission backed away from a threat to impose sanctions on Oslo.

After a crisis meeting on Sunday night, the Commission, which handles trade negotiations for the bloc, backed a five-year deal negotiated by the trade commissioner, Sir Leon Brittan. In the face of objections from Neil Kinnock, Britain's other commissioner, he recommended acceptance of the accord to avert a trade war with Norway.

Two Scottish Office ministers flew to Brussels hoping to see tariffs slapped on the Norwegians but were disappointed. "There is no denying that this is a disappointing outcome. The short-term difficulties which the industry will face are very substantial," said Brian Wilson, the Scottish industry minister.

Mr Kinnock, the transport commissioner, challenged Sir Leon's handling of the trade talks last week, and maintained his opposition to the deal to the end. He said he remained unconvinced that it offered the European Union salmon industry adequate protection against unfair competition. Emma Bonino, the fisheries commissioner, and Padraig Flynn, of Ireland, also voted against.

A majority of commissioners was swayed, however, by the argument that a five-year deal encompassing minimum prices and other safeguards was preferable to temporary duties which might not be renewed by EU trade ministers when they expire in six months' time.

Sir Leon stressed that he had secured concessions which would force the Norwegians to

sell their salmon at a price higher than the rate of tariffs Scottish fish producers were calling for. He dismissed suggestions that the Norwegians would ride roughshod over the minimum price undertakings. He said the deal was "pretty watertight", triggering duties automatically if the price falls beneath a floor level and he promised constant monitoring.

These arguments cut little ice with the Scottish Office, however. Mr Wilson said it was "perverse and odd" of Sir Leon to suggest that he knew better than the fishing organisations how best to deal with dumping. "We have been down the road of minimum prices before and nobody in the industry believes minimum prices can be enforced because they haven't been in the past," he said.

Norway, which exports about £500m worth of salmon to the EU each year, was found guilty of illegally dumping below cost price after a lengthy investigation by EU officials this year.

Expectations were that the Commission would inflict a 14 per cent import tax, but Sir Leon surprised colleagues at the last minute by recommending an agreement.

The change in tactics sparked the most public spat to date between the two UK commissioners. Mr Kinnock said that he and other colleagues had been given no time to consider the terms of the accord and accused Sir Leon of sidelining fisheries experts who favoured taking a tough line with Oslo.

Under the terms of the deal, brokered after intensive Norwegian lobbying at the highest political level, Oslo will have to restrict the growth in the volume of its salmon exports to about 10 per cent annually. In addition to the minimum price Oslo also agreed to a voluntary increase in export tax.

Bomb could stop talks

David McKittrick and
Colin Brown

Both the British and Irish governments are reviewing the question of holding further meetings with Sinn Féin in the light of the weekend return of the IRA to bombing.

The multi-party talks are due to resume in Belfast today under the chairmanship of George Mitchell, the former United States Senator, who yesterday had a meeting with Tony Blair, the Prime Minister, in London. Sinn Féin are excluded from these talks on the grounds that

the IRA has not declared a ceasefire.

A device left in a van at Poleglass in west Belfast at the weekend contained a 1,000lb bomb, according to the security forces, and was aimed at taking the lives of security force personnel. This clear breach of the undeclared IRA ceasefire which has been in effect in Northern Ireland since 10 April has created security worries and political difficulties for the authorities.

Last week a Sinn Féin delegation led by Martin McGuinness met officials for the second

time and agreed to hold a third meeting "subject to events on the ground", which was taken to mean that contacts were dependent on a continuation of the undeclared cessation.

The Northern Ireland security minister, Adam Ingram, said yesterday that continuation of the dialogue with Sinn Féin had to be looked at again. He added: "We are still looking at the full information coming forward, as to what the IRA are saying about it, what Sinn Féin are saying about it and, of course, our own security assessment of it."



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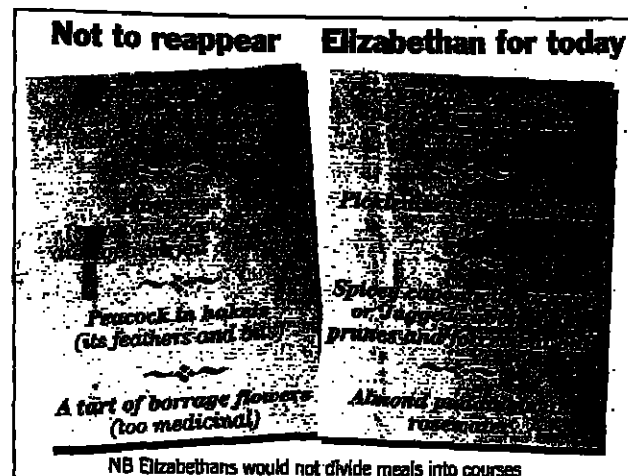
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National Trust shows how food can be old but not stale

Stephen Goodwin
Heritage Correspondent

The culinary equivalent of political correctness is about to bring about the disappearance of the baked potato and the micro-waved lasagne from the menus of many National Trust properties.

At Oxburgh Hall, a moated Tudor house in Norfolk, the process has already begun. Sir Walter Raleigh's discoveries in the New World no longer feature in the 200 lunches served on busy days.

Instead of a jacket potato or chips, visitors can have Norfolk dumplings or a trencher of

home-baked bread. Sandwiches are off – they did not appear until the late 18th century – but there is at least the concession of a tomato with the meat and cheese platters.

The public reaction has been good, according to Alison Sloan, the catering manager at Oxburgh. "You always get some people who want a burger. But as soon as we explain what we are trying to do – make the menu authentic – they get interested and the meal becomes much more part of the visit."

"When I started at Oxburgh they bought everything in and just did jacket potatoes really," said Ms Sloan. Now the hall's

kitchen garden is being restored to grow fruit and vegetables of the period and a quince orchard already provides the ingredients for several barely remembered recipes.

For the Trust as a whole, historic menus are also about tackling an image problem – the complaint that Trust restaurants and shops all have the same stamp – and keeping ahead in the catering game.

Just down the road from the Trust-owned hall or castle is likely to be a pub serving the ubiquitous ploughman's lunch or lasagne. With 145 outlets, from tea rooms to banqueting halls, Britain's largest charity is

also a major caterer. Last year the food and teas made a profit of £1.8m on a turnover of £13.2m. This week the catering managers and chefs from eight properties are honing their skills and treating their palates at a seminar on historical menu

development being held at Parkfield training centre near Ross-on-Wye.

Drawn from places as diverse as Oxburgh and Lanhydrock in Cornwall, which already offers lunch dishes from a high Victorian table, the participants will

then act as apostles of tailor-made menus in their regions.

Food historian Sara Paston-Williams, a driving force behind the initiative, said menus should reflect the atmosphere of the house, both historically and of the family that lived there.

"Visitors pass through the dining room and often the kitchen of historic houses. Then they should be able to taste some of the dishes that would have been served there."

So at Lanhydrock, lunch can begin with Carrot Soup à la Cre-

cy (£2.50), a creamy soup made with carrots, celery and fresh herbs, adapted from a recipe in *The Cook's Guide* of 1862, which was something of a bible in the house. And for pudding, why not English gooseberry and elderflower cream (£2.60)?



Historical creations: Paul Hiron, head chef at Hildcote Manor Gardens, Gloucestershire, taking out a tray of assorted bread cooked by National Trust chefs Photograph: John Voos

BA strike could cause summer travel chaos

Barrie Clement
Labour Editor

Tens of thousands of holiday-makers and business travellers face a summer of severe disruption at Britain's main airports after a second group of British Airways employees decided to ballot on industrial action.

More than 9,000 ground staff at Heathrow, Gatwick and Birmingham are to vote on strikes in protest at plans to contract out catering operations at a time when a similar number of cabin crew are already being balloted in a separate dispute over pay and conditions.

Union officials are confident of a "yes" vote in both cases and unless there are substantial concessions from management the Blair government could be faced with its first major industrial dispute.

While chartered holiday flights to the Mediterranean and elsewhere should not be affected, BA's scheduled international services could be hit in the peak summer months.

While there may be scope for concessions in the complex dispute involving cabin crew, BA

yesterday insisted that the decision to sell the catering operation, based at Heathrow would not be reversed.

A spokesman for the airline said: "It is much better to invest in new planes rather than new kitchens. We are not specialists in this area and we are the only European airline producing our own food."

George Ryde, national aviation official at the Transport and General Workers Union, said the plan to hive off catering was a "kick in the teeth" to workers who had made sacrifices to ensure the profitability of the business. "In return for their efforts they wanted job security, and it is this which is being put at risk by the plan to sell the operation."

"No British Airways employee will be safe from similar schemes if the catering sell-off goes ahead. This is a highly productive and cost-effective operation, and its sale only makes sense as part of a plan to turn BA into a 'virtual airline' built around contracted-out businesses."

As part of the campaign against the sell-off, the union is to ballot baggage handlers, clerks, check-in employees and

ramp workers as well as catering staff. The ballot result is due on 30 June. While the union is at pains to point out that they are separate disputes, it is inevitable that the action would be co-ordinated to cause the maximum disruption.

The airline yesterday acknowledged that it had contingency plans to keep the airline running if the action went ahead.

Plans to alter terms and conditions of cabin staff and to contract out catering is part of BA's determination to save £1bn in operating costs by 2000.

Other employees at the airline have accepted pay freezes in response to management strictures, but there is considerable anger among the 58,000 workforce over the strategy. The company recently announced record pre-tax profits of £640m, but management argues that savings are necessary to maintain profitability into the next century.

The airline recently announced a £94m pay out to employees made up of an £89m share of the profits and 10 free BA shares each. The bonus was said to be worth at least £1,100 each for UK employees.

Swampy evicted from tunnel protest site

Michael Streeter

The environmental campaigner Swampy was back at the scene of his tunnelling triumph yesterday when he and other demonstrators were evicted from a protest site at Fairmile in Devon for the second time.

Four months after he borrowed his way to national media headlines, television shows and his own newspaper column, Swampy – real name Daniel Hooper – was ejected from the re-occupied camp after helping to dig a new tunnel.

The action, at the scene of a planned £65m dual carriageway between Exeter and Houlton, Devon, is the start of a developing strategy by eco-warriors to revisit areas from which they have previously been removed.

One source told *The Independent*: "This could be a whole

new ball game for the authorities to deal with. They will have to guard sites closely even after people have been evicted."

And Swampy, 23, who left the new tunnel with a female protester called Lee, said "Even though they evict us one time, we will be back and back again. Direct action is the only way to get things changed."

He had agreed to leave the tunnel because they were short of air and unable to breathe, he said. After a joint security operation by police and security staff, 10 people were removed from the camp, with two women arrested. Later road contractors' staff finished surrounding it with an 8ft metal fence and razor wire.

Some protesters claimed they had been working on the new 15ft tunnel for up to a week unnotified and had been inside

for more than 13 hours. In January, Swampy was the last of about 40 protesters to be removed, after spending a week underground.

Meanwhile, upbeat protesters at the site of the proposed second runway for Manchester Airport, who welcomed the Fairmile re-occupation, were digging in for the final onslaught last night as officials began the last stages of their eviction.

This morning Randal Hibbert, the Under-Sheriff of Cheshire, will decide whether to dig out four demonstrators still down the 60ft Cake Hole tunnel, which one of the protesters described as "unevitable", or let them come up voluntarily. The four people, Muppet Dave, Denise, Matt and Neville, are thought to have enough food and water for two

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OUTLOOK WORSE FOR A TROUBLED PLANET

Five years ago today, *The Independent* devoted its front page to the crucial questions facing world leaders at the Earth Summit in Rio. Nicholas Schoon examines whether any progress has been made

HOW THE WORLD HAS CHANGED

1972 1997

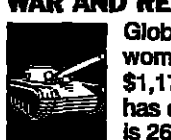
Population was 3.84 billion, of whom 72 per cent lived in developing countries. It was growing at 2 per cent a year.



POPULATION

Global population is 5.85 billion – 380 million more than at the time of the 1992 Earth Summit, and roughly equivalent to an extra Europe in just five years. Eighty per cent now live in developing countries. Annual growth rate is just under 1.5 per cent, or 81 million extra people a year.

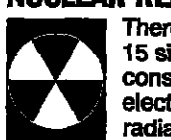
Nations spent US \$836bn on arms and armed forces. The number of refugees was estimated at 3 million.



WAR AND REFUGEES

Global military spending is \$800bn (nearly \$140 for every man, woman and child) – a drastic reduction on 1992, when it was \$1,173bn (all figures in 1995 prices). The number of refugees has continued to rise; five years ago it was 15 million, now it is 26 million.

There were just over 100 nuclear reactors generating electricity in 15 countries. There had been no major radiation releases at commercial reactors – but two at military facilities in Britain (Windscale) and the USSR (Chelyabinsk), both in 1957.



NUCLEAR REACTORS

There are 443 nuclear power plants in 31 nations, a net growth of 15 since the 1992 Rio Earth Summit, and a further 36 are under construction. Nuclear power generates 17 per cent of the world's electricity. There have been two severe accidents involving large radiation releases – Three Mile Island in the US in 1979 and Chernobyl, Ukraine, in 1986.

There were 250 million motor vehicles including 200 million cars. Their pollution was confined almost entirely to developed countries.



TRANSPORT

The number of cars in the world will exceed 500 million sometime this year. The great majority are still in developed countries, but more and more Third World cities now have dangerous air pollution levels caused by road traffic.

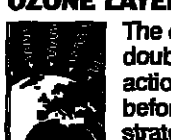
Sixteen billion tonnes of carbon dioxide, the most important of the man-made climate-changing greenhouse gases, were released into the air. Atmospheric concentration was 327 parts per million.



GLOBAL WARMING

Annual releases of carbon dioxide now stand at 23 billion tonnes per annum. Both developed and developing nations use more and more fossil fuels with each passing year, so the rise in atmospheric concentrations is accelerating and now stands at 364 parts per million – compared to 356 at the time of the Earth Summit.

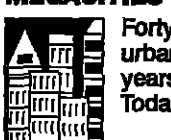
Chlorine destroys the high-altitude ozone gas which shields the planet from harmful ultra-violet light. It comes from CFCs and other widely used industrial and agricultural chemicals. Twenty-five years ago, measurement of chlorine had not yet begun, but by 1975, concentration was 1.4 parts per billion. Holes in ozone layer as yet unknown.



OZONE LAYER AND CHLORINE

The concentration of chlorine in the atmosphere has more than doubled to just over 3 parts per billion. Thanks to international action to curb ozone-destroying chemicals (most of it agreed on before the 1992 Earth Summit), the chlorine concentration in the stratosphere should reach a peak by 1999 and then start to fall rapidly. But ozone holes will continue to open for decades to come. This year's Antarctic hole lasted a month longer than usual.

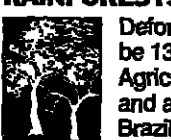
There were just three cities with over 10 million inhabitants, two of them in developed countries. When humans are concentrated in such vast numbers, there are huge problems in dealing with their wastes, their transport needs and providing clean air and water. Thirty-eight per cent of the world's population lived in towns and cities.



MEGACITIES

Forty-seven per cent of the world's population now lives within an urban area and inside a few years it is expected to reach half. Five years ago, there were 13 megacities with over 10 million people. Today there are at least 18, with 13 of them in developing nations.

Up to a third of the world's girdle of tropical rainforests had been destroyed. About 0.5 per cent of the remainder were being lost each year – some 100,000 square kilometres, an area the size of Iceland.



RAINFORESTS

Deforestation rate for the tropics from 1990 to 1995 was estimated to be 130,000 square kilometres a year, according to the UN Food and Agriculture Organisation (FAO). It is thought that one or two plant and animal species becomes extinct every hour as a result. The Brazilian National Space Academy estimated last year that the rate of deforestation in the Amazon had risen from 11,000 square kilometres to 15,000 square kilometres since the 1992 Earth Summit.

Around 58 million tonnes of fish were taken from the oceans as nations expanded deep-sea fleets. Two years later North Sea herring stocks collapsed due to overfishing.



FISHERIES

After decades of steady growth, fluctuating figures for the last 10 years indicate that an upper limit for global fish catches has now been reached – or surpassed. The latest UN FAO estimate is that 80.7 million tonnes were taken in 1995, nearly 6 million tonnes more than in 1992, but less than in 1991.

There were about 2 million African elephants left, one of thousands of species known to have become endangered by humanity. A rate of extinction not seen since the death of the dinosaurs 65 million years ago was already well under way.



SPECIES

There are now somewhere between 286,000 and 580,000 African elephants. They continue to be threatened by ivory poaching in some nations; in others where the decline has been halted elephants have come into conflict with farmers trying to protect their crops from being trampled and eaten. Globally, 168 mammal species and 168 birds are judged "critically endangered" – at very high risk of becoming extinct in the wild within a few years.

A total of 2,600 cubic kilometres a year of fresh water was being used, mostly for irrigation.



WATER

Fresh water consumption has risen by nearly two-thirds to 4,200 cubic kilometres a year – a faster rate of increase than population growth. Water supply problems are mounting all over the globe; 1.4 billion people, a quarter of humanity, lack ready access to safe drinking water.

Environment lobby's high hopes fall back to earth

Nicholas Schoon
Environment Correspondent

When, on 3 June 1992, *The Independent* devoted its front page to the global environmental crisis, we did so in order to highlight the hopes and fears surrounding the UN Earth Summit on Environment and Development in Rio de Janeiro, which began that morning.

In just under three weeks from now, world leaders gather in New York for a follow-up meeting. Once again they will call for global partnership to tackle the problems and express their deep concern about the threats to natural resources and the planet's life-support systems.

Today, we re-examine the same key environment and development data we looked at five years ago, looking at what has happened since Rio. We also add another issue, the use of fresh water, because it has since become clear that huge dangers lie ahead in this area.

Again, we compare the latest figures with the situation in 1972 when the global environmental crisis first came to attention in the Western world.

In June of that year, the first earth summit, the UN Conference on the Human Environment, was held in Stockholm. In the couple of years leading up to that event, problems of pollution, population growth, species extinction and depletion of natural resources had received abundant television and press coverage. So how then, in the intervening quarter century, have we fared in putting right our relationship with nature?

We've done badly – up to Rio and afterwards. Since 1992, most of the

trends that matter most have carried on worsening. For instance, nations rich and poor have done next to nothing about tackling global warming, despite more than 100 presidents and prime ministers signing a climate protection treaty in Brazil.

There are, however, some grounds for hope. Population growth is slowing down more rapidly than UN demographers were forecasting back in 1992. That is mainly because parents in developing countries are deciding to have smaller families, but it is also due to death rates climbing in some nations such as Iraq, Burundi and Rwanda.

The UN's best estimate for the earth's population in 2050 is now 9.4 billion, compared to its estimate of 10 billion, made in 1994.

Global spending on armaments has fallen sharply since the Earth Summit, which allows governments to spend more on environmental protection – if they choose to. The growth of nuclear power has slowed sharply and may soon end altogether, with governments losing their enthusiasm for pursuing this energy option. Advocates of nuclear power point out that reactors, unlike fossil-fuel power stations, do not produce climate-changing greenhouse gases. But a turning away from atomic energy would probably be a gain for the causes of environment and economic development. It is expensive, there are problems in disposing of nuclear waste safely, and also risks of nuclear weapons proliferation.

For developing countries, the single greatest disappointment since Rio has been the sharp decline in official foreign aid from the industrialised nations. When they met in Brazil, the rich world

– with the exception of the US – reaffirmed its commitment to the UN target of devoting 0.7 per cent of its gross national product to Third World development. At the time, they were giving 0.34 per cent; by 1995 that had fallen to just 0.27 per cent. Britain's own foreign aid has fallen roughly in line with this global trend, but not quite as sharply. Worldwide, more and more of this aid is also being devoted to the aftermath of natural disasters, refugee crises and famines, rather than the kind of long-term projects needed to lift people out of perpetual poverty.

Over roughly the same period, there has been a huge increase in private sector cash investment in the developing world. Last year, according to the World Bank, this cash injection amounted to \$244bn (£150bn) – about six times the money that poor countries were getting from the taxpayers of the West in development aid.

However, three-quarters of this investment went to just 12 nations, with China, Mexico, Brazil and Malaysia heading the list. The investment, and the economic growth which goes with it, are a double-edged sword as far as the environment is concerned. As countries industrialise and become more affluent, the damage they do to their local environment and the global atmosphere rises. Yet their rising wealth can also give them the resources to deal with the problems.

The prognosis for the earth is the same as it was in 1992, not yet a dying planet, but one which is becoming increasingly sick. If the problems are not tackled soon, in a few decades or less they will impose massive costs in terms of money, insecurity and ill health.

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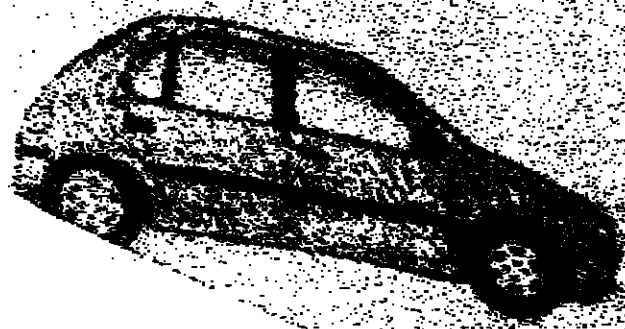
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politics

The £130,000 man who will decide how much Britain's poorest must earn

Barrie Clement
Labour Editor

The Government yesterday came under pressure to introduce a national minimum wage within a year by the new head of the Low Pay Commission, who admitted it could cost jobs.

Professor George Bain, whose appointment was announced yesterday, said he hoped a rate would be fixed by next summer, thereby looking to bounce the Government into an early decision. The £130,000 a year principal of the London Business School revealed that ministers wanted the commission to complete their deliberations in 12 months, but said it could recommend a minimum by next April that could be made law within months.

The Government's favoured timetable is for the statutory limit to come into force later. Senior union leaders were told before the election it may not be introduced until early 1999.



Key figure: Professor George Bain, who is to head the Low Pay Commission deciding the national minimum wage

Photograph: Geraint Lewis

Professor Bain refused to be drawn on a figure, but said there should be a balance between the aspirations of unions and employers. While companies would prefer a rate near £3 an hour, unions are seeking a figure of more than £4.

The 58-year-old Canadian-born academic said the rate should be struck at a level to help the low paid, but which would have a minimal effect on jobs. "It will be a difficult task, but not impossible. I would be surprised if there were not some job losses, but the question is whether those jobs would be better lost anyway."

The commission's task would be to conduct research and soundings among interested parties before advising on a figure. Professor Bain, a respected industrial relations specialist, said his experience as an arbitrator and mediator in labour disputes would be invaluable. Potentially there were both negative and positive effects of a national minimum wage. It could lead to pressure from high paid workers to maintain differentials, but it could also have a positive impact by reducing staff turnover, increasing productivity, and providing a stimulus to more training, he said. Evidence was emerging in the US that showed a minimum wage in the catering industry led to job creation.

Professor Bain, whose appointment was welcomed by trade unions, has been careful not to identify himself with one political party. He discloses that he has voted at one time or another for all three main parties. His involvement with industrial relations began 30 years ago at Nuffield College, Oxford, where he conducted research into white collar trade unionism. A former head of Warwick University's industrial relations department and business school, he also sat on the Donovan Royal Commission on trade unions and employers' bodies

and the Prices and Incomes Board in the 1960s. As a member of the governing council of the Advisory Conciliation and Arbitration Service, he has won the respect of trade unionists. However, he also has a reputation as tough-minded pragmatist. He argued for a six-figure salary when he applied for the job at LBS in the late 1980s on the grounds that they had to offer the same earnings as the best such institutions if they were to compete internationally.

Blair's special team in place

Christian Wolmar
Westminster Correspondent

The Government last night repudiated suggestions that it has made more political appointments than its predecessor by announcing the full list of the 35 special advisers employed across 18 government departments, three fewer than in the previous government.

The Prime Minister also announced the full list of the 10 strong Policy Unit appointed "to bolster the centre of government and bring in fresh ideas". Its members include David Miliband, who previously worked in Tony Blair's office, Geoff Mulgan, who headed the think tank, Demos, Roger Liddle, the former SDP candidate who co-wrote *The Blair Revolution* with Peter Mandelson, and Derek Scott, who failed in his attempt to get nominated for the safe Labour seat of Pontefract and Castleford.

Other appointments to No 10 have been confirmed as Chief of Staff, Jonathan Powell, and the chief press secretary Alastair Campbell who has two assistants, Tim Allan and Hilary Coffman.

Sally Morgan is Mr Blair's political secretary, the first holder of the post since Joe Haines who worked for Harold Wilson. Cherie Booth, the Prime Minister's wife, has two part-time assistants, Fiona Millar, who is Alastair Campbell's partner, and Roz Preston.

Many of the advisers previously worked either for shadow ministers who took them into Whitehall departments, or with the Labour Party. Their salary range is between £24,349 and £73,484, reflecting the fact that under Civil Service rules they must be employed at the same salary as in their previous job. The £1.8m annual salary bill is around the same as the previous administration's bill.

Full list of special advisers: Agriculture, Fisheries and Food: Tim Walker, Cathy McGlynn; Chancellor of the Duchy of Lancaster: Andrew Lapping; Defence: Alastair McGowan; Education and Employment: Conor Ryan, Sophie Linden, Michael Barber; Deputy Prime Minister: Joe Irvin; Foreign and Commonwealth: Andrew Hood, David Clark; Health: Joe McCree; Home Office: Norman Warner, Ed Owen; International Development: Daniel Harris, Jessica Crowe; Lord Privy Seal: Marianne Morris, Damian Walford; National Heritage: Julian Eccles, John Newbigin; Northern Ireland: Nigel Warner; Anna Healy; Leader of the House: Ian McKenzie; Scotland: Murray Elder; Wendy Alexander; Social Security: John McTernan, Liz Kendall; Board of Trade: Dan Corry, Sheila Watson; Transport: Kate Davies; Chancellor of the Exchequer: Ed Balls, Charles Whelan; Chief Secretary: Treasury: Edward Miliband, Andrew Maughan; Wales: John Adams, Huw Roberts

Union chief lists price of support

Barrie Clement

Unions paid the bills which put Tony Blair into Downing Street and now it was pay-back time, according to the leader of the Labour Party's biggest affiliate.

John Edmonds, general secretary of the GMB general union, which poured £2.5m in the Labour war-chest over the past year, set out a list of demands to end the "exploitation" of working people. It was the first time since the election campaign began that a senior union leader has been so outspoken about the movement's role in funding the campaign and its keenness to see something in return.

Speaking at the union's annual conference in Brighton, Mr Edmonds said that Compulsory Competitive Tendering in local authorities must be abolished and he called for an end to the Jobseeker's Allowance. Zero hours contracts - where employees are on call, but only paid when they work - should also go and the national minimum wage should be set at £4.

There should be employment rights "for all" - full-timers and part-timers, men and women. Workers should enjoy full protection against dismissal from unfair dismissal from the first day of employment and not after two years, as is the current policy. It is thought that the Government favours shortening the qualifying period to a year. Mr Edmonds conceded that unions had been "too big for their boots" in the past and would not make that mistake again.

Hague clears air with Thatcher over Europe

Colin Brown
Chief Political Correspondent

William Hague went to see Baroness Thatcher yesterday to reassure the former prime minister about his views on Europe, and to clear the air after reports that she wanted to block his campaign for the Conservative Party leadership.

Mr Hague impressed Lady Thatcher when he was 16 and addressed the Tory party conference. Twenty years on, "Mother", as she is known by her friends in the party, clearly wanted to see whether her young protégé had the backbone to stand up for Britain in Europe.

There had been reports at the weekend that Lady Thatcher wanted Peter Lilley, Michael Howard and John Redwood to combine in the late stages of the campaign to stop either Kenneth Clarke, the ex-Chancellor, or Mr Hague from winning the leadership. Lady Thatcher's office refused to give details of the talks, but a spokesman said: "The only thing she has made clear is that she is not getting involved in the leadership race in the initial stages at all. She is not endorsing publicly any candidate."

The 45-minute meeting over tea and biscuits in her London private office was seen by Mr Hague's supporters as a boost for his campaign, although she will not endorse any candidate in the first round. That leaves the way open for Lady Thatcher to make her endorsement in the second ballot to tip the balance against Mr Clarke.

The meeting was arranged after a call last week from the Hague camp, which made an initial approach at the start of the leadership race. Lady Thatcher recently met Tony Blair at Downing Street and has seen some of the candidates for the Tory leadership, but has no plans to meet Mr Clarke.

The ex-Chancellor last night hardened his stance on a European single currency by calling for monetary union to be delayed beyond the planned start date of January 1999. He was accused by Tory Euro-sceptics of holding John Major to ransom in the election by refusing to budge on the single currency. "If he had said this before, it could have made a difference. It will make people more angry," a Tory MP said.

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Blair's special team in place

Christian Wolmar

Number is up for Camelot's lottery profits

Steve Boggan

Camelot agreed yesterday to examine ways of becoming a not-for-profit organisation after failing to quell the row over huge bonuses awarded to directors in a year when donations to good causes had fallen.

It appeared that the lottery organiser's number was up when its chairman, Sir George Russell, emerged from a humiliating meeting with Chris Smith, the Secretary of State for National Heritage, saying he would deliver not-for-profit proposals within six weeks.

Mr Smith called the meeting last week following the publi-

ing to be a change in the shape of the lottery in the future," he said. "We have offered to provide the Government within six weeks our views on the shape of a lottery that is without profit in the long term, and possible change in the short term."

He said Camelot had put three proposals on the table: to give the equivalent of directors' bonuses to charity; to consider changes towards a non-profit-making lottery; and to give to the good causes the interest Camelot collects on unclaimed prizes, currently about £6m.

"As chairman I'm not able to overturn contracts freely entered into prior to people starting in the company," he added. "I am prepared as chairman to pay out of Camelot's profits the equivalent amount into a charity the amount that directors will receive as bonuses and will also be discussing with directors the subject of long-term incentive bonuses for the future."

Later, a Camelot spokeswoman said the company felt the meeting had gone well, but Mr Smith declared himself anything but happy. "I would say we have made a little bit of progress but we haven't made nearly enough," he said.

"They are showing a bit of contrition but not nearly enough. They came armed with one small concession, which doesn't address the nub of the issue, which was that Camelot should make a donation from its own profits equivalent to the bonuses paid to directors. I don't believe that addresses the public anxiety and concern that's being shown and I was disappointed that they hadn't come armed with anything else. "I'm seriously very disappointed that they haven't thought further about this before they came to see me. We'll be looking to them to come forward with a firm response by the end of the week."

On BBC Radio 4's *The World At One*, Mr Smith said he was anxious that the prize draw should be the "People's Lottery" and should be perceived as such. Failure to address the people's concerns would result in a drop in confidence, reduced sales and less for good causes. The Government planned to introduce a White Paper within seven weeks, followed by a Bill in

the autumn, aimed at making the lottery not-for-profit by 2001.

Richard Branson, whose bid to run a not-for-profit lottery was rejected by the last government, said he was pleased that it seemed to be heading in that direction. "Some months ago the Labour Party said in its manifesto that the National Lottery would be run on a profits for charity basis. This finally seems to be dawning on Camelot. If they pledge all future profits to charity, they would deserve praise."

"If, on the other hand, they fudge the issue, the lottery will continue to be discredited at the expense of good causes."

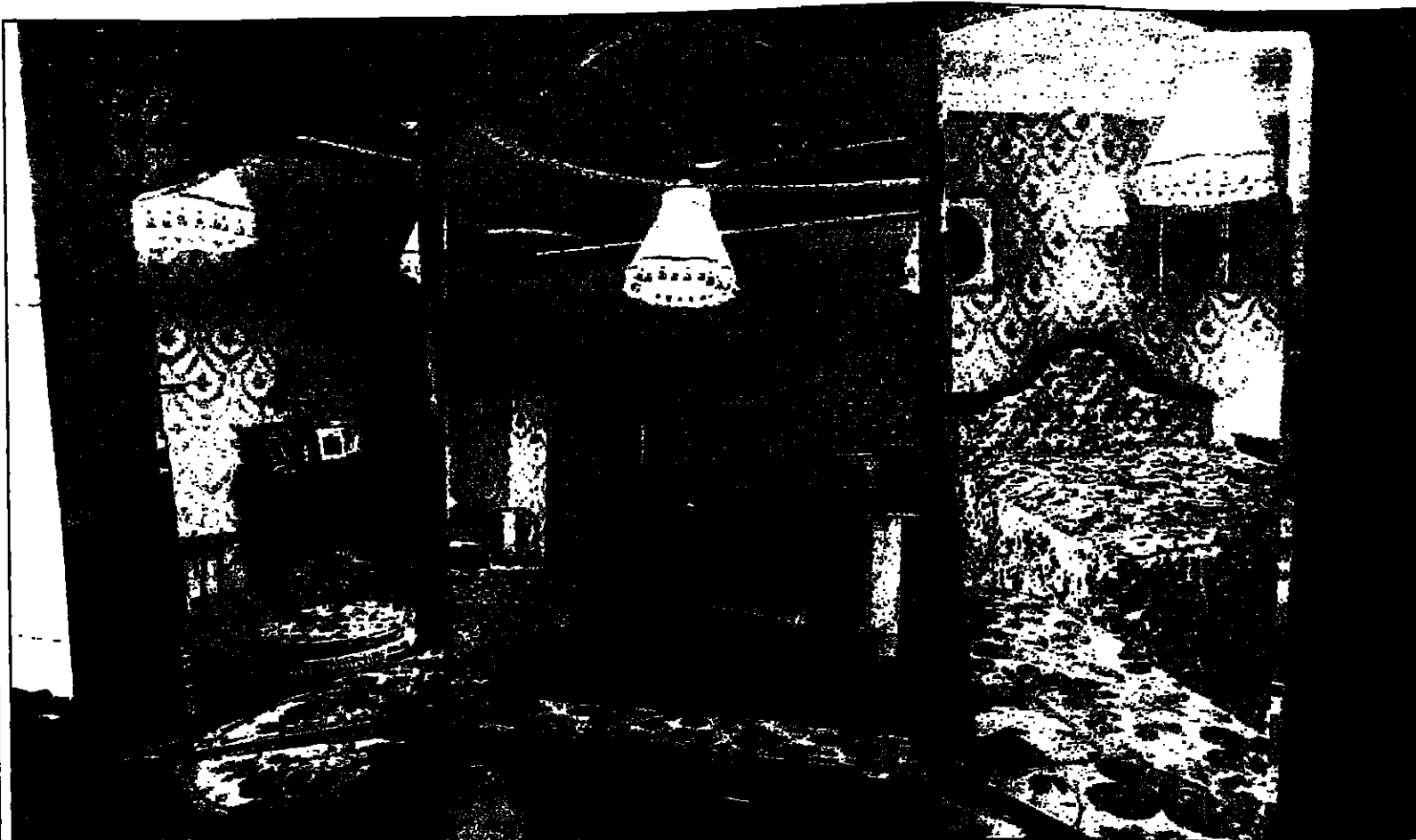


'Camelot are showing a little bit of contrition but not nearly enough'

Chris Smith

cation of accounts which showed that donations to good causes in 1996-97 had fallen from £1.4bn to £1.3bn and profits had shrunk by 8.6 per cent while directors were given bonuses averaging 40 per cent of their salaries.

Following the 75-minute meeting at Mr Smith's office, Sir George emerged with Tim Holley, his chief executive, and communications director David Rigg, and appeared to agree that the writing was on the wall. "We understand there is obviously go-



Mirror image: The contents of the master bedroom at Hill Crest house in Norwich, untouched since 1947, will be sold with other interior fittings by Sotheby's on 16 June. The house was home to shoemaker WHH Clarke, whose company later became part of the Clark's empire. Photograph: Brian Hems



DAILY POEM

Loki

By Eddie Wainwright

I am the god of mischief, the Lord of Misrule, the one who screws it up. Put your money on me. I answer to the pseudonyms of Sod and Murphy. I bring bad tidings and anti-climax, causing lovers to get cramp at just the wrong second in just the wrong places. I am the actor who corpses in a death scene. I inspired Queen Victoria to fart in that abrupt silence towards the end of the Hallehijah Chorus, and at conventions of sexologists transpose the consonants of Shere Hite. When I stand on public platforms, my flies fly open, my knickers fall off as I open bazaars. I am the scourge of the electronic media. "Bollocks!" I bellow into microphones believed to be switched off, and once I announced in my most silvery tones, "This is Victor Sylvester and his Bathroom Orchestra." I swivel the TV camera onto unwary nosepickers and bananascratchers and poor buggers crawling under tables to fix wiring. At the end of the day, I shall be there, grinning and saying, "I told you so," and tripping you up as you enter what you think are the pearly gates.

"Loki" comes from Eddie Wainwright's first full collection, *Growing Pains*. It consists of poems selected from a writing career of 35 years in an alphabetical, not chronological, arrangement, in order "to shock with the mild surprise of chance encounters". *Growing Pains* is published by Peterloo Poets at £7.95.

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french election '97

Tremor shakes right and raises fears

Chirac's forces are set to tear themselves apart as FN surveys wreckage with glee

John Lichfield
Paris

The humiliating defeat of the centre-right in the French parliamentary election could lead to the biggest and bloodiest re-alignment of party politics for 20 years.

President Jacques Chirac's RPR or neo-Gaullist party is in danger of tearing itself into at least two pieces. The UDF alliance of small centrist and rightist parties may collapse. There was talk yesterday of renegade elements of both groups merging into new parties: a free-market, liberal party and a statist, nationalist party. The most centrist part of the UDF, the Force Démocrate, was even said to be considering throwing in its lot with the new Socialist-led government.

The far-right National Front (FN) is surveying the wreckage with glee. It hopes to form tactical alliances with bits of the old coalition, helping to bring its anti-immigrant,

taining his unpopular acolyte, Alain Juppé, as Prime Minister.

Mr Chirac will, in theory, remain President for another five years. He was said yesterday to be desperately attempting to persuade the scattered forces of the right to regroup around himself. But the bitterness of the repercussions was within the RPR, the party he founded 31 years ago to take over the mantle of General Charles de Gaulle. The editor of *Le Monde*, Jean-Marie Colombani, wrote yesterday that the death of Gaullism, so often predicted, may have been made inevitable by Mr Chirac's miscalculations and the magnitude of Sunday's disaster. Without the glue of success and self-preservation, the contradictions in Gaullism may burst open.

Philippe Séguin, the man who might have been prime minister if the right had won, stated yesterday that the "knives were out" in the RPR. He made it clear he would challenge Mr Juppé for the leadership of the party, or perhaps create an alternative nationalist and statist party of his own.

Edouard Balladur, the former prime minister and a leading RPR figure, was meeting supporters in private yesterday. He was said to be considering forming a new, liberal party, dedicated to the shrinking of the French state. Charles Pasqua, the former RPR interior minister, was said to be considering striking out to "refound" Gaullism.

Life was little easier in the other partner in the ejected centre-right coalition, the UDF, which is itself an alliance of small right and centrist parties, whose main centrist and rightist components were said to be considering desertion.

Alain Madelin, the former finance minister and free-market leader, said he would "reclaim his liberty", which may mean that he will join forces with Mr Balladur and the economically conservative wing of the RPR. François Bayrou of Force Démocrate talked of the need for "new political forces". He was reported to be considering taking his 43 deputies out of the UDF and forming a separate force in the National Assembly, possibly in loose alliance with the new government of the Left.

The great unknown was whether any of these splinters of the centre-right might be tempted to make tactical bargains with the FN. In making the first signs of a move against Mr Le Pen, Mr Mégrét was encouraging the possibility of such unholy alliances. But it seemed unlikely that any of the mainstream centre-right figures would be tempted to take such a potentially ruinous step.



Facing reality: Downbeat supporters of the routed centre-right at its HQ in Paris, as the election results came in

Photograph: Michel Euler/AP

Women rise to top in new revolution



In line: Martine Aubry, Catherine Trautmann and Elisabeth Guigou are tipped as ministers

In one respect, if no other, the new government and majority of the French left will be revolutionary. It will give French women a bigger part in the running of their country than ever before.

The number of women in the National Assembly has almost doubled from 32 to 62; the percentage has increased from 5.5 per cent, the lowest in Europe, to 10.7 per cent, slightly better than the European Union average.

The principal reason for the surge of women deputies is the decision of the Socialist Party, at the personal insistence of Lionel

Jospin, to set a 30 per cent quota of female candidates. In the event, only 27 per cent of the Socialist contenders, and only 12 per cent of the successful ones, were women. But this was enough to put a huge dent in the National Assembly's tenacious record as a gentlemen's club. There will be 41 Socialist women, compared to four in the last parliament.

It also seems likely that three of the most prominent members of the new government will be women. Martine Aubry, 46, daughter of Jacques Delors, and one of the most popular politi-

cians in France, is tipped to become employment minister; in the front line of the Jospin government's battle to reduce the stubbornly high rate of joblessness. If, as tipped by some, Mr Delors also joins the Cabinet, they will become the first father-daughter team ever to sit in a French government. It would be difficult to find a precedent anywhere in the democratic world.

Catherine Trautmann, 46, mayor of Strasbourg, a rising star of the left after her energetic battles with the National Front, is expected to be chosen as minister

for cities and racial integration. Her reputation as a successful enemy of the far-right was confirmed at the last FN campaign rally when the Jean-Marie Le Pen, the party's leader, produced an effigy of her head on a platter.

Elisabeth Guigou, 50, the former minister for Europe, who fought an FN challenge in Avignon, is spoken of as a possible minister for social affairs.

It is also possible that the Green alliance with the Socialists will produce a woman as minister for transport and the environment, either the Greens'

leader, Dominique Voynet or Marie-Christine Blandin, president of the Nord-Pas de Calais regional council.

Mr Jospin pledged yesterday to name his government by the end of the week. Other possible ministerial appointments include Jack Lang, former culture minister at education, Dominique Strauss-Kahn, economics spokesman, at the finance ministry, and Bernard Kouchner, leader of the radical Socialist splinter party, at health.

John Lichfield

How they voted

Rally for the Republic (RPR) - 134 seats;
Union for French Democracy (UDF) -
108; Independent Right - 34; Socialist
Party - 241; Communist Party - 38;
Ecologists - 7; Independent Left - 21;
National Front - 1; non-affiliated: 1
voter turnout: 71.1 per cent

anti-European, anti-American extreme-nationalist ideas into the mainstream of French politics.

But the election may also bring to a blood-splattered conclusion the internal power struggle within the FN itself. The party's *de facto* number two, Bruno Mégret, yesterday raised for the first time in public, during a radio interview, the most taboo subject on the far-right: the successor to Jean-Marie Le Pen, who will be 69 this month. Mr Mégret, who was once in the RPR, believes he is better placed than the rabble-rousing Mr Le Pen to take advantage of the new opportunities presented by the rout, and internal strife, of the centre-right.

Before the election, the RPR had 257 seats in the National Assembly; it now has 134. The UDF had 206 before the poll; it now has 108. In the first round, the RPR-UDF coalition took just 31 per cent of the vote, the worst performance by the centre-right in nearly 40 years.

The blame for this debacle falls mostly on President Chirac, who called the election nine months early and insisted on main-

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هَذَا مِنْ الْأَصْلِ

french election '97

of a European earthquake to come



In and out: A crest-fallen Alain Juppé (left) leaves the Elysée Palace. But it was smiles when Lionel Jospin (right) left there later

Sarah Helm
Brussels
Imre Karacs
Bonn

Across Europe, politicians, officials and businessmen were trying to work out the implications of the Socialist victory for Economic and Monetary Union (Emu).

The Socialists may rock the Euro-boat by demanding a change in the rules for entry to monetary union, insisting on a soft euro, which would allow Italy, Spain and Portugal to gain certain entry in the first wave.

German hopes to see a tough "stability pact", which would ensure tight fiscal austerity among all countries after the Emu launch, may be scuppered by Lionel Jospin, who has already dismissed the pact as "absurd". Furthermore, the new French power-brokers will seek support for the establishment of a powerful economic government, to act as a counterweight to the new European Central Bank, with far wider political influence than Bonn will be able to accept.

"Since yesterday the constellation has been altered so that we might know in the next few weeks, not in 1998, whether the euro will be a stable currency," said Edgar Meister, a member of Germany's Bundesbank council. Similar sentiments were expressed by the conservative

Socialists may rock the boat over Emu

Prime Minister of Bavaria, Edmund Stoiber. "I am very concerned about the stability of the euro," said the Euro-sceptic politician.

Chancellor Helmut Kohl made a long telephone call to the French President, Jacques Chirac, in the morning, to commiserate and no doubt to seek an assurance that France would honour her European commitments. Throughout the day, Mr Kohl's party issued a stream of statements reminding Mr Jospin of the benefits of sound fiscal policies.

These exhortations are, however, beginning to ring hollow even to the German audience. Having resorted to dubious accounting tricks, Mr Kohl's government now stands accused of undermining the single currency project, and of fostering a climate of fiscal laxity.

In Brussels, European Union leaders insisted that the French Socialist victory would have no effect on monetary union. The consensus behind Emu remained

"rock solid," insisted Yves Thibault de Silguy, the economic commissioner. However, some analysts believe that the Socialist victory must increase the likelihood of a delayed launch.

While France's attitudes to the euro will be most closely watched, the most immediate reverberations of Mr Jospin's victory will be felt in the talks on European integration, due to be completed in just two weeks' time at Amsterdam. The Socialists may seek to re-design Europe's integration plans to fit a more favoured socialist model and there was strong speculation in Brussels yesterday that this could necessitate a delay in signature of the Amsterdam Treaty.

Elisabeth Guigou, a leading French Socialist, and former minister for European affairs warned last week that her party would call for a delay in finalising the treaty if it came to power.

Senior officials were playing this down yesterday. "Europe has always been at the heart of French ambitions. I am confident that France will continue to pursue a determined course of action in favour of European integration," said Jacques Santer, the European Commission President. "In particular, I am confident that France will ensure the success of the inter-governmental conference at Amsterdam, by the agreed timetable, and of the single currency on 1 January 1999."

EU takes a left turn

Sarah Helm
Brussels

The Socialists' victory in France gives the left a new political dominance in the European Union, with nine out of the 15 member states now having socialist prime ministers.

Socialists make up coalition governments in a further four countries. According to European Parliament figures, two out of three voters across the Union have voted for a socialist party in the latest elections held in each of the member states.

Political analysts in Brussels cannot recall a period in the history of the EU when socialist parties have gained such support. For the first time, if the left-leaning governments band together, they can wield a qualified majority in votes within Europe's Council of Ministers.

Only two countries, Germany and Spain, are still run by centre-right governments. However, experts were swift to caution against claims that socialism is on the march. The evidence from recent European elections suggests that voters have been motivated by anger with the incumbents rather than love for their left-leaning challengers.

"The fact is that it is very hard to be popular in government at the moment," says Peter Ludlow, director of the Centre for Policy Studies in Brussels.

Commentators point out that high unemployment and welfare

Red wedge

LEFT IN POWER
The Socialists and Social Democrats

IN POWER ALONE: Sweden
Portugal Greece Italy Britain
France

RUNNING A COALITION:
Netherlands Denmark Austria
Finland

PART OF A COALITION:
Ireland Luxembourg Belgium
IN OPPOSITION: Germany
Spain

cuts are top of the electorates' concerns but are beyond the power of any one government to solve.

"The fact that governments are changing across Europe so quickly is evidence of a massive conspiracy by Europe's political elite, who fight elections on the pretence that if they change policies they can influence these events which are beyond their control," says Stanley Crossick, head of the Belmont research institute.

When Europe's socialist leaders meet in the Swedish city of Malmö this week, they are certain to discover that when it comes to the details of policy on jobs and welfare, their differences remain wide. Mr Blair, for example, will want to keep his distance from the French socialist drive for welfare and a shorter working week, preferring to emphasise his more centrist vision of flexible labour markets.



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THE INDEPENDENT

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Is further decline inevitable? Or is there hope for British wildlife?

Britain's Wildlife Supplement in The Independent Friday 6th June



international

Nigerian warships shell Sierra Leone in bid to crush coup

Christopher Bellamy
Defence Correspondent

Nigerian warships moved in to shell the Sierra Leone capital, Freetown, at dawn yesterday as part of an attempt to end the week-old coup which overthrew the elected government and returned the former British colony to anarchy. The leaders of the mutiny, 20 junior army officers, swore to fight "to the last".

The firing in the western end of Freetown was directed at the military headquarters used by the coup leaders. Western journalists reported seeing the flashes of their guns as they kept up a sporadic fire. Diplomatic sources yesterday said the fighting appeared to have eased and the British High Commissioner, Peter Penfold, was trying to secure a ceasefire.

The Nigerians said they had re-established control of the international airport at Lungi, north of the capital, which they had held in an uneasy accord with the rebels since the 25 May coup.

"We took it this morning," a Nigerian officer said. "There was a fire-fight with the Sierra Leonean forces there but it didn't last long." The naval bombardment may have been in support of this action.

Most Westerners have been evacuated in the past few days in dramatic rescues by a French air charter company, which took out 400 British, European and Common-

wealth citizens last week, and by the US Marines, who evacuated another 800 Westerners on Friday. A few remain. Yesterday, 230 evacuees arrived at Stansted airport, Essex, and said heavily armed soldiers, some as young as 11, were terrorising the capital. About 15 Britons are believed to remain in the Cape Sierra hotel and 85, plus 12 Americans, in the Mammy Yoko hotel, the main staging post for the evacuation. The US amphibious assault ship *Kearsarge*

'We lost a vehicle and a lot of cash to the soldiers but they did not harm us'

may return to Freetown to extract the last Westerners, although the Foreign Office said yesterday that all those who wanted to be evacuated had already left.

Nigeria is leading a pan-African peace-keeping force originally deployed to keep the peace in neighbouring Liberia. Its troops have an international mandate to secure the airport but have taken it upon themselves to try to overthrow the coup.

British aid worker Andrew Cox, 27, who works for the charity Concern Universal,

said boys wandering the streets were armed with machine-guns and rifles. He said armoured cars had been pillaged and the weapons distributed among child vagrants who sleep on the beaches.

"There was a big guy with a gun," said Mr Cox. "He was very twitchy - more scared of us than we were of him... We lost a vehicle and a lot of cash to the soldiers but thankfully they did not harm us."

Another Briton, Laura Kenyon-Barclay, 38, arrived with her baby daughter Konya, born a week ago, just after the coup. "It was very scary. I was planning to have the child in hospital but I had to have her at home because of the shooting."

The country's West African neighbours, led by Nigeria, have been trying to persuade the coup leader, Major Johnny Paul Koroma, to step down after he seized power from the elected government of President Ahmed Tejan Kabbah. Major Koroma was named head of the 20-strong ruling council. Former president Foday Sankoh, leader of the United Front Army, was named vice-chairman, in spite of being wanted on gun-running charges.

Mr Kabbah's election in February 1996 after the apparent end of the civil war - thanks in part to former South African soldiers belonging to the mercenary organisation known as "Executive Outcomes" - appeared to put the diamond-rich state on the path to recovery. But it did not last.

Street level view of Hong Kong's last days

Stephen Vines
Hong Kong

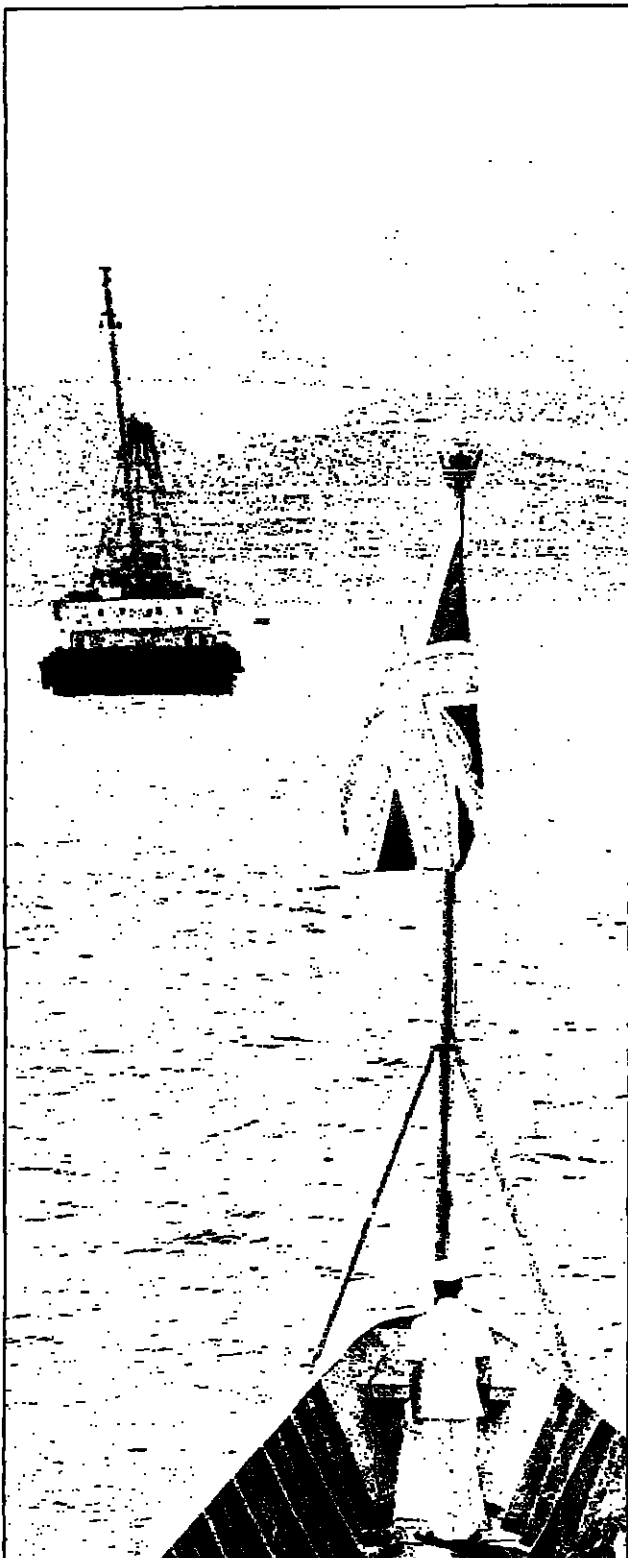
In the crisp, pastel-shaded rooms of Government House, Jonathan Dimbleby's film crew are shooting the final sequences for a BBC series on the last years of colonial rule in Hong Kong as seen through the eyes of the great and the good. A few miles down the road Po-chih and Sze-wing Leong, a father-and-daughter team, are installed in a cramped high-rise flat transformed into an editing suite, putting the final touches to a Channel 4 series called *Riding the Tiger*.

The Leongs are looking at the transfer of sovereignty through the eyes of less elevated Hong Kong people whose struggles to cope with the changes are transformed into a gripping people's history. Mr Leong, a well-known Hong Kong-based filmmaker, started the work as a private project and roped in his daughter, a television producer, once Channel 4 showed interest in commissioning a series.

Given that Hong Kong has been given an unprecedented 13 years to prepare for its change of sovereignty, it is remarkable that no one else has attempted the kind of oral history.

Mr Leong says he wanted "to capture the essence of Hong Kong in the last two years". Did he have a sense of doom about the change in sovereignty? "No, not doom, it's more like foreboding," Ms Leong stresses that they came to the project uncluttered with the burden of promoting a particular point of view. As local people, they wanted to demonstrate how "this city of survivors" was making out during the changes.

Mr Leong said the series shows "that Hong Kong is not just about 1997; in a sense that's happened already". "Hong Kong people have



The Royal Navy frigate HMS Chatham - the last British war vessel to arrive in Hong Kong before the handover to China - facing the site of the forthcoming handover ceremonies before berthing in Victoria Harbour yesterday. The ship will be the command centre for British forces, finally escorting the Royal Yacht Britannia and remaining personnel from the territory on 30 June. Photograph: Reuters

programme is 60-year-old Mrs Leung, single-handedly bringing up a family of eight from the confines of a squatter camp after her husband died of cancer. While others in the series change their minds, Mrs Leung remains "rock solid", Mr Leung says. She is resolutely sceptical, declines to vote and fixes her sights on her next meal is coming from.

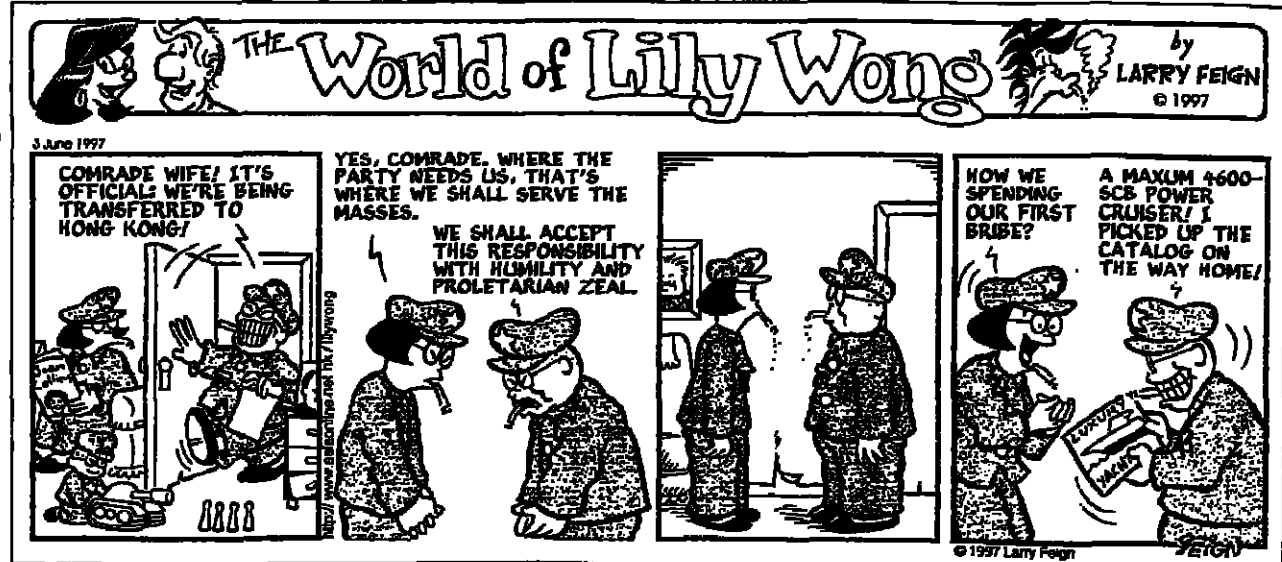
Meanwhile, Jimmy Yip is struggling to build a new life for himself across the border in China. Most Hong Kong businessmen whisk in and out of China furiously wheeling and dealing but rarely staying put for long. Mr Yip is different. He is hell bent on a make-or-buy project to set up a giant theme park.

Arriving in 1994 with all the typical arrogance of a Hong Kong businessman telling their "country cousins" what to do, he learnt to adapt to China's way of doing things and invested heavily in making the right connections. His story could be a microcosm of the story of Hong Kong's business future.

Riding the Tiger even has a love plot, involving an expatriate police inspector and a local female police constable whose relationship breaks up under the pressures of work. The Leongs refuse to say whether they get together again in the last part of the series, but the film shows them both learning a great deal more about themselves and getting a clear idea of what they really want to do as the 1997 deadline approaches.

Ms Leong says the main thing they have noticed in making the series is "that people have grown up and become more aware of what's going on". The reflex response of blaming the British for everything or trying to pin the blame elsewhere is giving way to a realisation that Hong Kong people have to take responsibility for themselves.

Channel 4 shows the first episode of *Riding the Tiger* on Saturday 7 June at 7pm.



international



Long way from home: A weathered signpost on a Cayman beach showing travellers and 'scuba nuts' the way Photograph: Carl Purcell

The offshore islands a Budweiser than a

Grand Cayman — These islands are a long way from Hong Kong. But if the residents of the Caymans had any doubts about Britain's commitment to them, the SAS put their minds at ease the other day.

It was all kept hush-hush. Part of the Cayman Islands, one of a dozen British Dependent Territories that will remain after the Hong Kong hand-over, was taken over by a group of Middle Eastern Islamic terrorists. Well, actually, the "terrorists" were policemen acting the parts. As were the hostages.

But the rest of "Operation Blue Triangle", an exercise including an SAS assault backed by United States Special Forces, was dramatically close to the real thing.

Foreign Office, Scotland Yard and intelligence officials flown in from London conferred with FBI and CIA men. The White House, the Cabinet room in London and the Cayman Governor's office linked up on emergency communications.



Phil Davison
continues our series,
in the Caymans

There were even phony journalists — Scotland Yard police officers acting the parts — being pushed behind cordons by real-life Yard men — with some relish.

As the American Special Forces watched in what they later admitted was awe, the men from Hereford ended the hostage crisis in five minutes flat. All hostages safe. All terrorists in "paradise".

The Caribbean island exercise was aimed at testing a US-British "memorandum of understanding" under which the Americans agree to send an advance team of Special Forces to secure the islands until British forces get here in any emergency.

Oddly enough, despite the Caymans' expressed desire to remain a British colony, long-term thinkers might venture that the Americans themselves could be the greatest threat to the islands' Britishness. The Americanisation of the Caymans is in full swing, from Budweisers and Burger Kings and the prevalence of American banks to the high percentage of American tourists (80 per cent of the total) and the tendency to look to the US for higher education and health care.

In an emergency, Caymansians dial the American-style 911, not 999. The popular local Ska music station Z-99 is pronounced Zee-99. There are more and more left-hand-drive cars, imported directly from the US,

Dutch have courage to tame JFK



Plane draft: The terminals at JFK airport in New York have become a byword for chaos

NEW YORK DAYS

It is true the Dutch once ran Manhattan, but that was three centuries ago and ended with their man, Peter Stuyvesant, being thrown out. So who is to say that today they are any more able to tame the city? Particularly when their big idea is to put flies in the urinals.

Mayor Giuliani is not about to vacate Gracie Mansion for Wim Kok. But in a gesture of despair over its own management failures, the Apple has invited the Dutch to take responsibility for a place that is the epitome of the metropolis. It seethes and perspires and is a temple of chaos and inefficiency. We are speaking of the international arrivals building at JFK airport.

If you have flown into JFK, it is likely that your first minutes on American soil were a bit of a shock. JFK might have been grand when it opened in 1957 — then it was Idlewild — with its fountains and cocktail clubs. But now it invites obliteration by a powerful bomb.

Even after the ordeals of customs, delayed baggage, and the search for the taxi line, there is still the 30-minute, going-on-two-hour ride through Queens to Manhattan. (Did you really imagine there would be a train to take you there?). America turns out to be a land of peeling-felt roofs, unkempt cemeteries and billboards. Only the pot-holes are bigger and better.

Of the seven terminals, none is more dysfunctional than number four — international arrivals. Built originally to accommodate 2,000 passengers an hour, it now must handle three times that number and 50 different airlines. It has become the antithesis of the glamour once associated with flying.

In spite of being on a domestic flight, I recently suffered Terminal Four when I and my family flew Carnival Air to Fort Lauderdale. First there was no Carnival check-in desk — not one. How were we to know a pair of lonely Iberia counters were going to transform themselves into Carnival an hour before departure? Suddenly the fire sirens go off, red lights flash and my son, quite reasonably, is nervous. Shouldn't we evacuate? Then it stops. A security guard seems not to have noticed and no explanation is offered.

Next it is upstairs to the departures level. Here, by the small food court, where my son explodes a sachet of ketchup over himself, rests the

large, hopelessly old-fashioned, indicator board (all clattering names and times, it would have seemed modern in Waterloo twenty years ago), showing the arrivals times. Never mind that those who might find it useful are in arrivals one floor below. Departures information is on suspended television screens — but the nearest one to where we are is a 10-minute walk away.

All this finally defeated the New York Port Authority, which has handed the place over to a Dutch-American consortium, Schiphol USA. With the help of nearly \$1bn raised by a city bond issue earlier this year, the group intends over the next four years to rebuild Terminal Four in the image of Schiphol Airport outside Amsterdam. The Port Authority is excited: Schiphol is regularly ranked as one of the world's best airports while JFK is perpetually regarded as one of the worst.

The vision is simple: a pleasant, unclogged terminal that passengers will enjoy rather than endure. There will be shops and cafés and even — though the nature of New York politics must make this unlikely — a raised rail link to the Apple's core. There will also be those urinals.

It was the *Wall Street Journal* that the project general manager, Jan Jansen, offered this illustration of Dutch-think replacing Yank-think. He intends installing urinals with tiny black flies etched in the porcelain, as at Schiphol. The idea is to give a fellow something to aim at and to keep the flow in the pan. "Fine, laugh at me. It works. It gives a guy something to think about".

I wonder. In Holland the flies doubtless survive as gleaming beacons. In New York, I fear there will be quickly be obscured by debris, gum and spittle. There is a tidiness about the Dutch, even in the conduct of bodily functions, that I do not often observe in New Yorkers. How sparkling do we want JFK to be any way? So it lacks a certain elegance. So does the city. If the purpose of an arrivals terminal is to pamper and induce shopping, turn it into Schiphol. If instead it is to prepare the arriving traveller for what lies in store outside — noise, disorder, crowds, rudeness, colour, energy and confusion — then the Dutch makeover may be an error.

David Usborne



Once, the only time you saw a Volvo at Brands Hatch was in the car park. But things have changed. The Volvo/TWR team recently notched up eleven victories in the British Touring Car Championship with the 850 saloon. And this season, we're racing the car you see above, a 300 bhp version of the new S40. Now of course, the S40 you'll see in the showroom can't match the performance of its racing cousin. But the 16 valve two litre engine can still take you from 0-62 in just 9.3 seconds. And you may be surprised to learn that the top speed is 180 mph. Rather less surprising are features like SIPS with side airbags, driver's airbag and ABS brakes. We may be new to winning races, but we've been winning a reputation for safety for years. The Volvo S40. From £14,925 to £23,875 on the road. Or from £350 per month via Volvo Contract Hire.* VOLVO. A CAR YOU CAN BELIEVE IN.

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that feel more at home with taste of the mother country

although islanders still drive on the British side of the road.

"There's a saying that if the US sneezes, we catch a cold here," said Pat Ebanks, spokeswoman for the Cayman government. "Our parents brought us up British-style, with discipline, kind of 'be seen but not heard'. But we now tend to be more American in our lifestyle."

"We travel to the US. More of our students go to US rather than British universities. If we want medical care, we go to the US. But there's still a very strong connection with being British. During the Falklands war, people here started a 'Mother Needs Your Help' campaign and sent money to the war effort."

"There's always the idea that down the line we'd like to be able to stand on our feet. But it's not a thing that's uppermost in our minds. Being British has definitely helped us," said Ms Ebanks.

"This island is 99 per cent Americanised," said Harold, a Jamaican

barman at the Sleep Inn motel on Grand Cayman, the largest of the three islands, as he gyrated to the sound of a reggae band on Z-99. "People prefer it that way."

The closeness to the US - Florida is closer to Grand Cayman than Glasgow is to London - is one reason that few Caymanians publicly complain about the 1981 immigration law which bars them from settling in Britain; the law was introduced to prevent an influx of immigrants from Hong Kong.

For one thing, Caymanians are granted a special "waiver" by the US, allowing them to enter without a visa, though they receive no preferential treatment on Green Card work permits. "The Immigration law has never been an issue here," said Ms Ebanks. "The Caymans is not a nation of emigrants. Unlike Jamaicans, there was never a tradition of Caymanians emigrating to Britain. When we go abroad, we always come home. After all, it's safe here

and our per capita income is second in the world only to Switzerland, roughly on a par with Sweden."

Per capita income here is close to \$30,000 (£18,000). On three islands, totalling only 100 square miles, there were 572 banks or trusts at the last count, sitting on more than \$500bn. There are close to 34,000 registered companies, just over one for every resident. How many of those companies adhere to legitimate business, and how much of the money in the banks is laundered drug cash, is anybody's guess.

Movies such as *The Firm*, based on the novel by John Grisham, starring Tom Cruise and Gene Hackman and featuring a plot involving money-laundering, corrupt lawyers and related murders in the Caymans, keep the focus on the islands' sleazy side and rile the authorities here, who insist they are "tidying up".

"As with all major financial centres, we are vulnerable to international commercial crime," the London-

appointed British Governor, John Owen, said at a recent crime-prevention conference.

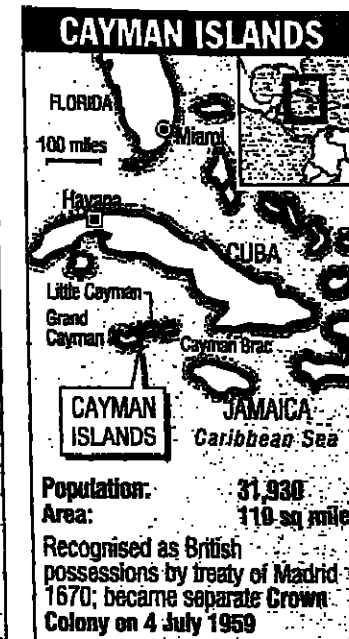
"Our message must be clear. Dirty money is not welcome here. We recognise the fact that, as Thomas Gresham, an English financier of the 16th century, said: bad money drives out good money."

"If you give a dog a bad name, he goes by it," said the Chief Secretary (and acting governor) of the islands, James Ryan, a Caymanian who has retained his ancestors' Irish accent over several generations.

"There's no doubt that in the Sixties, a lot of US currency came into this country, but we have gone a long way towards tightening up. We run a very tight ship."

"Other countries in the region may try to smear us but the Cayman Islands will have no mercy with dirty money. It's just not on and we're not going to tolerate it."

Next: Gibraltar



A little taste of history: A traditional pub sign hangs outside the Cayman Arms, Grand Cayman, revealing the Caribbean islands' attachment to Britain; but many of the inhabitants' ideas, and much of their lifestyle, come from the nearby United States, and the bar is likely to be well-stocked with iced Budweiser, rather than with warm British bitter. Photograph: Bob Thomason

IT'S A VOLVO. IT'S A VOLVO.
(WE PRINTED IT TWICE IN CASE YOU DIDN'T
BELIEVE IT THE FIRST TIME.)



VOLVO
S40
RACING

US colleges fear turning colour blind



Fading faces: Numbers of black students may decrease with new laws. Photograph: Warner Brothers

Mary Dejevsky
Washington

As the academic year draws to an end on campuses across the United States, there is a growing - and slightly shocked - recognition that an era is also coming to a close. Affirmative action, the policy that discriminated in favour of applicants from ethnic minority groups, is being abolished in two of America's largest state university systems, and the effect has startled friends and enemies of the policy alike.

The autumn 1997 intake at the graduate school of law at the University of California at Berkeley, for instance, will have 80 per cent fewer black students than last year. Admissions of Hispanics have fallen by half. The result will be a Berkeley law-student body that is 2 per cent black, 5 per cent Hispanic and more than 90 per cent white and Asian.

At the University of Texas at Austin, the law school could end up with no black students at all. According to a spokeswoman, one African American was offered a place, but he turned it down because he felt he would be in the media spotlight.

It is still too early to say exactly what the effect of the new "race-blind" policy will be. The highly selective law schools are the first to make their data public. And while the University of Texas has abolished affirmative action across the board from this year, the University of California has abolished it only for graduates, with undergraduate admissions being affected only from 1998.

If initial trends continue, however - and the universities believe they will - the ethnic diversity that has transformed the face, and often the curriculum, of American universities over a generation will vanish within three years. Universities will no longer be anything like a "picture of America"; they will revert to being predominantly white institutions, with a growing number of Asians.

In abolishing affirmative action, both California and Texas have bowed to a combination of public pressure and specific legal decisions. In California, university sources acknowledge that there were regular complaints over the years when "star" school-pupils failed to gain a place. After 20 years of rumbling guerrilla warfare, the university reviewed the results of affirmative action through 1995. Last year, in a separate move, California voters approved Proposition 209, legislation that requires state institutions to be "race-blind".

In Texas, the change came suddenly, precipitated by a disgruntled applicant's successful lawsuit. Other states, and probably the federal authorities as well, are expected to follow suit.

If certain sections of public opinion are cock-a-hoop about the change, however, the mainstream US media and the universities are extremely cagey. They worry about the social implications if black and Hispanic students are effectively excluded from universities and courses with the most prestige.

The universities of California and Texas have launched initiatives to try to mitigate the effects of "race-blind" admissions. While undertaking to give more weight to test scores, as the law now requires, they are considering weighting for social or economic "disadvantage". In California, personal essays that show evidence of ability to overcome adversity will count in a candidate's favour.

Texas, for its part, is considering guaranteed places in higher education for the top 10 per cent of pupils at every state school, a policy designed to favour pupils from poorer schools.

All these efforts stem from the view, held strongly by many university staff, that a university should strive to be not just an academic meritocracy, but a "personal learning and socialising experience" for the students. One member of staff at Berkeley, asked whether academic excellence was not the very purpose of a university, responded that this was "a widely held lay view" but "simplistic".

Whatever rearguard action the universities mount to defend affirmative action, however, officials agree that the first results of abolishing it pose disturbing questions. If the proportion of minority students falls so drastically when they have to compete on equal terms, does this mean that the efforts of the past 20 years have been in vain?

The fact that the initial figures relate only to graduate school admissions makes matters, in some ways, worse. After all, those competing for graduate courses have already completed undergraduate studies with above average grades. The difficulty is that even in the event that the overall proportion of ethnic minority students in higher education is not greatly affected, higher education could become conspicuously stratified, with most blacks and many Hispanics eliminated from disciplines like law and medicine that lead to the highest earning and most influential jobs.

هكذا من الأصل

Sorry Mr Clarke, but you have our support

Labour won't get everything right. Some things it will get very wrong indeed. That is not cynicism but common sense. It may take weeks. It may take months. It may take years. For the sake of the country, the longer it takes, the better; but at some stage the new government will find itself slithering in the mire. A minister will be caught out; a policy error made embarrassingly plain; an abuse of power discovered. It is bound to happen because in this fallen world the population of saints is strictly subject to birth control. And when it happens, Her Majesty's Opposition will need to be on its mettle, tuned-up, ready to strike.

That is the stuff of parliamentary politics. The pungency and energy of the Opposition is one of the guarantees of civic freedom. We need ministers to feel nervous during Commons questioning. We need opposition figures of moral and political authority. All of which is to say, the sooner the Tories sort themselves out and choose a leader who can command the confidence of the country – a leader who can make this sad crew electable – the sooner British democracy will be armoured against the kind of upset made more likely by Labour's 419-seat power.

The Tory party leadership contest is thus no private matter. It is understandable for New Labour and its acolytes to wish the Tories the most extreme right-wing leader possible,

and to hope further internal warfare continues that party's decline. But it is unpatriotic and against the spirit of democracy to think that way. Just as the gravest charge that can be brought against Labour during its worst period in the early Eighties was its failure effectively to oppose Thatcherism in full flood, largely because it was obsessed by its own internal affairs, so the Tories are in danger of neglecting their constitutional duty of keeping this new, enthusiastic and powerful government on the straight and narrow.

The sooner they make their choice the better. Yet before they measure the curves of the belles parading before them, they need to give some thought to what kind of party the Tories are to be in the early years of the next century – a formation of the mainstream, in tune with British people, or a fretting gang of ideologues out of touch and so likely to remain out of office. It is a matter, in part, of cutting the dogma quota, especially the mindless neo-liberalism that still seems to lodge in the bellies of the various Tory think-tanks.

Do they really believe that every jot of government expenditure above 25 per cent of GDP constitutes oppression and unfreedom? The Tory party has never, it is true, put a high price on intellectual consistency and rigorous argument; Thatcherism was a mixed doctrine and under John Major its dregs ran thick indeed. Most leadership can-

didates like a little bit of this (free markets) and a little bit of that (xenophobia, a close cousin of unfreedom). Thus a Michael Howard is all in favour of freedom to trade but not on concomitant freedom to move; he is against Big Government, except in its manifestation as HM Prison Service, when it is a case of the bigger the better.

Tory confusion is of course demonstrated nowhere as clearly as over Europe. Common money on the basis of Maastricht (a treaty negotiated by a Cabinet consisting of most of the contenders) represents the triumph of a neo-liberal approach to macro-e-

nomics. But most of the contenders hate common money for reasons that range from Germanophobia to stop-the-world-I-want-to-get-off nationalism.

Because he is not an intellectual extremist and because he is not anti-European, as well as for his well-known personal qualities – pugnacity, humour and enthusiastic membership of the human race – by far the best candidate for opposition leader is the former Chancellor, Kenneth Clarke. It would be idle to pretend he is consistent and whole in all his positions or that his track record is unblemished (look at what he walked away from at

health and the Home Office). Yet to top up the ways in which his position differs from that of the right radicals is to see a coherent shape for post-1997 Toryism. In Mr Clarke's world view a capitalist Britain participates enthusiastically in Europe, not for the sake of building castles in the air, but to secure practical benefit. In that Britain the victims of economic change deserve protection, hence the need to maintain a safety-net. There, too, most people rely on public provision of schooling and health. Under Kenneth Clarke Tory thinkers might be set free to explore new positions for the party on local government, Scotland, public service delivery, defence, parliamentary reform: it could be an exciting time.

So, if *The Independent* were a Tory MP, it is clear where its vote would be cast. What about the argument that he is too close to New Labour thinking? Well, first, we agree with that thinking on Europe and macro-economics. We would much prefer a Tory party that was close to the core of the British consensus as expressed on 1 May than one that became intellectually "interesting" but politically marginal. Second, the best parliamentary opposition will come from a Tory leader able to fight in detail across terrain he knows well and feels comfortable with – a leader who comes from the same world as the people in power, not another planet. It may be that the worst service this

newspaper can give Mr Clarke is to express our support. Having Michael Heseltine's backing is one thing. Ours is a bouquet he would probably refuse. But there is nothing cynical or tactical about it. We want him to win because he would best help the Tories to recover their position as a mainstream, relevant opposition, and a potential government. Perhaps the best endorsement is that Labour understands that too, and dearly hopes the shattered Tories go for "anyone but Ken".

The right to be small-minded

David Cronenberg's *Crash* at last gets its public screening this week. The would-be censors and sensationalists have ensured packed houses. But it is possible to despise the attempt to ban the film while welcoming – in principle – the right of local authorities to exercise a choice. We might hope that the electors of Westminster, Walsall and High Wycombe will remember their councillors' efforts to filter what they can see – but also hold dear the principle of local diversity. Local authorities should have the capacity to do their own thing, however misguided. If they all behaved the same way, what would be the point of having them?

LETTERS TO THE EDITOR

Skills tests for teachers, not children

Sir: I cannot understand how the General Secretary of the National Association of Head Teachers, or anyone else, could imagine that a teacher's competence can be judged by the success of pupils in a standard examination or test, and that he cannot foresee the likely results of such a policy ("How to sack bad teachers and improve standards – by heads' union leader", 29 May).

The present Sats tests, which do not take any account of differing IQs or different home backgrounds, already lead to children becoming the victims of their parents' and teachers' desperation for them to achieve a particular result at a set age. Children of primary age are being pressured to do excessive amounts of homework, and attend maths clubs and extra coaching after school.

Those children who do not come from affluent professional homes cannot possibly achieve the same results, as they do not have access to extra teaching, PCs with educational software, or even adequate textbooks. This in turn makes them undesirable pupils, both for headteachers looking at their schools Sats results, and for class teachers, who may now face losing their jobs for teaching them.

There are still teachers leaving university unable to spell, or use punctuation, and with a very poor level of general information. Would it not be more efficient and less damaging to our children simply to require the teachers, not the children, to sit a national written examination on leaving university and at intervals thereafter, administered by an independent authority, to test their spelling, punctuation, arithmetic and knowledge of the subjects required by the National Curriculum, plus a classroom visit to make sure that they are able to keep order? This could be coupled with an increase in direct taxation to raise money to provide smaller classes, less reliance on untrained classroom helpers, more books and computers in school and public libraries, and more opportunities for in-service training for teachers who want to bring themselves up-to-date with new developments. ALISON TURNER-RUGG, St Albans, Hertfordshire

Sir: I read with interest your report on how to sack bad teachers (29 May). How frustrating it is for head teachers to have to go through present legal procedures. The problem of difficulties with staff has been solved recently by one head teacher and governors, who realised that a "fast track" solution is already available.

The method chosen was to terminate the long-serving employee's contract legally and with notice, with no requirement to serve out the notice. The reason given for the termination was "a breakdown of working relationship" between the headmaster and the employee.

This leapfrogs all those rather tedious legal requirements of warnings, oral and written grievance procedures, disciplinary hearings, and appeals to the governors, even if they are in the employee's contract. It is marvellous in its simplicity and speed. Many head teachers and governors will see the advantages immediately. It is quick, legal, and has the immediate effect of keeping the loyalty of all the rest of the staff, both teaching and



ancillary. What is lost in morale is more than made up for in instant obedience.

Head teachers and governors will also note that it gives a legal, all-embracing reason for terminating any employee's contract. Should a case go to industrial tribunal, a pre-emptive offer exceeding £11,300, the maximum the tribunal can award, will effectively end the case without it being heard. A WIGHTMAN, Kirby Lonsdale, Cumbria

Role for Britain at earth summit

Sir: Nicholas Schoon ("Global warming – too much hot air", 26 May) is right to challenge world leaders about their meeting to review progress – or the lack of it – towards a more sustainable pattern of development since the Earth Summit in Rio five years ago. But he is wrong to write off the occasion before it has even happened. Britain's new Labour government is well placed to make a real impact in New York next month if it gives the right lead.

Three key issues have emerged in the preparatory discussions. First, fresh water. Resources are dwindling, drought and desertification are spreading, pollution is increasing, and the needs of many hundreds of millions of people who lack clean water and sanitation are becoming ever more pressing. With Britain's political, technical and commercial strengths in the water field there could be a great opportunity for Britain to take hold of the issue and help to turn it into a major advance for the world. Secondly, climate change.

Nicholas Schoon is right that too little has happened in the world so far – though Britain on this occasion stands out as a shining example of a country that will have more than met its commitments to limit greenhouse gas emissions to 1990 levels by the year 2000. The new British government will be well placed to give a strong lead.

Thirdly, resources for development. The northern countries – with Britain among them – have indeed fallen away shamefully from their commitment to increase the share of GNP going to development assistance. A proposal from Britain to unite in halting this decline, and to make new efforts for debt relief and economic regeneration in the poorest countries, could have a powerful impact.

The Government has already shown itself bold and decisive at home and in Europe. Let us hope that it will be equally bold in promoting sustainable development at the global level in New York next month. In 1989 Margaret Thatcher made a crucial speech at the United Nations which helped move the world forward to decisive action at Rio. The world is ready and hoping for an equally decisive speech from Tony Blair in New York next month to move the debate – and real action – on sustainable development forward to the next stage.

DEREK OSBORN, Chairman, UK Committee, United Nations Environment and Development Programme, London SW1

Animal welfare in the dock

Sir: Our veterinary practice has been involved with the inspection of Banbury market (report, 30 May) for many years, and whilst it would not be true to say there are never problems, the standard of animal welfare is generally good.

The sow "squashing her snout under the bottom bar" may well have been sniffing curiously at the "yellow muck-ridden puddle", but this does not imply she was desperately thirsty, as all the pig pens at Banbury market have water supplied through nipple drinkers, which the pigs are used to using on the farms from which they come.

The fact that some pigs let out "sudden piercing shrieks" when unloaded from the lorry certainly does not mean they were in pain – as anyone who has worked with pigs knows, sudden piercing shrieks are a normal pig communication. The pigs "slumped awkwardly in their crates, apparently admitting defeat" could equally be described as resting quietly.

Cruelty to animals can never be condoned, but it would be surprising if, over four years, at 36 markets, some evidence of inappropriate handling of animals was not found. As your report itself makes clear, cases of cruelty or neglect of animals at markets are dealt with by the courts, and often result in substantial fines. D A SHEPHERD, West Bar Veterinary Hospital, Banbury, Oxfordshire

Raise taxes, not interest rates

Sir: The emphasis which Lord Desai (Letters, 31 May) places on interest rates not being raised at this juncture, to avoid a rise in the exchange rate, recalls the period of shadowing the German mark in 1987-88.

As related by Margaret Thatcher in her memoirs: "For the whole of this period the interest rate was too low. It should have been a good deal higher, whatever the effect on the level of sterling..." In view of this episode and its consequences, there would be no point in repeating it now.

However the Bank of England's freedom to conduct monetary policy is exercised, any debate which assumes that higher interest rates can be a substitute for increased taxation, or vice versa, seems rather artificial.

Monetary and fiscal policy ought to be complementary – another economics lesson which should have been learnt over the years. RONALD EYRES, London NW5

Protesters can make a difference

Sir: By using job creation as the main justification for the construction of a second runway at Manchester Airport (Letters, 29 May), Graham Stringer shows clearly why so many have come to

the point of despair with a political process which gives undue weight to the vested interests of big business.

Of course we all want to see more employment opportunities, but these must be created as a result of economic activity which is genuinely sustainable, not that which depletes finite resources and contributes towards climate change.

Those, like myself, who campaign vigorously to protect the environment expect to hear little from politicians concerning the need to significantly reduce flights, nor have we any hopes that industry will face up to the intolerable burden its activities represent to future generations. We are therefore left with no other option than to make a nuisance of ourselves, in the hope that we just might make a difference. JON FULLER, Leigh-on-Sea, Essex

Doing justice to a disturbing poet

Sir: Ruth Padel ("Exhibit A: pretension", 28 May) amply demonstrates the healthy scepticism of the English liberal when confronted with underwritten weirdness, but she hasn't done her homework.

Brian Catling, far from being an unlanguage diletante, is one of our strongest poets. He has been publishing remorselessly since the early Seventies. Don Paterson, reviewing a recent anthology, singled out Catling's "The Stumbling Block" as a "thoroughly disturbing little labyrinth". IAIN SINCLAIR, London E8

Cars are not a rural problem

Sir: What "car problem" (leading article, 31 May)? We live in rural Oxfordshire, where two cars are essential for our joint careers and for the scholastic and social lives of our young children. We regularly use the train, but have to drive to the station. Rural bus services are too rigid and irregular to be of use getting around, or for school trips.

Apart from minute contributions to global warming from our exhausts, the only time we effectively impose costs on our fellow citizens or other road users is when we drive into Oxford (as rarely as possible) or London (never, if we can help it). Higher petrol prices or vehicle taxes would merely increase our costs without contributing in the slightest to the real problems of urban and motorway congestion. You are right to support targeted measures such as congestion pricing or motorway tolls.

I hope that the urban perspective on road transport will not continue to dominate discussions. Blanket penalties on car users risk making rural life less viable. The result will be more pressure on the cities – not, I imagine, what any of us want. JAMES WINPENNY, Chipping Norton, Oxfordshire

Rules which play tricks on God

Sir: The Jewish religion forbids travel on the Sabbath, with one or two exceptions (Faith and Reason, 31 May).

One exception is travelling over water, because sailors in Biblical times may not have known exactly when the Sabbath began or ended, nor would it have been easy to stop travelling while at sea. Nowadays, some pious Jews sit on a water-filled cushion in their cars so as to allow them to drive on the Sabbath, and God is tricked.

The crux debate is on the same level. Make a set of arbitrary rules. Tell everybody that God made them. Then fiddle your way round them. It has no more to do with religion than Scrabble or football.

Concepts such as monotheism, compassion, intellectual freedom, love of your neighbour (no restrictions on whether he is Arab, Buddhist or Christian), and "do-unto-others", which were developed by Judaism and the religions which followed, are all submerged by the antics of these arrogant beetle-browed tricksters of God, who know all the answers, but none of the questions. FABIAN ACKER, London SE22

The earworm: a musical breed

Sir: Miles Kingston (2 June) says he is unaware of the *mot juste* for a tune that gets lodged in the brain so that you hum it all day long.

The word I've heard used is "earworm", which nicely suggests how hard it is to dislodge one. I don't know who first coined it.

You can't get rid of earworms, of course, but you can make them breed. There is real satisfaction in breeding a normally musically sophisticated colleague whistling "Una Paloma Blanca". TONY SHELBOURNE, Taunton, Somerset

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interview

The man from the ministry of culture

Chris Smith, Heritage Secretary and scourge of the Camelot fat cats, aims to sow the seeds of an artistic flowering reminiscent of the heyday of the old GLC, he tells Polly Toynbee

Sir George Russell and his Camelot team were just coming out of the Secretary of State's office as I was being ushered up in the lift. Were they abashed? Were they contrite? Did they look as if they had just had the most terrifying tongue-lashing ever? Not sufficiently. But then it is hard to imagine the thoughtful and gentle Chris Smith giving anyone the bollocking of their lives, even these fat cats who so thoroughly deserved it.

Nonetheless, it was plain Chris Smith was genuinely angry. "You could say we had a full and frank exchange of views," he said between gritted teeth and then laughed, shaking his head in disbelief at these men who had so badly misjudged the new mood of the times (or simply chosen to ignore it). Hundreds of thousands of people had called the Heritage department over the weekend to express their disgust. Many had boycotted the lottery, delivering its worst ever Saturday income. Chris Smith said the small concessions the greedies had offered would go no way towards mollifying public anger. He wants an answer to his own stiffer demands by the end of the week.

But what if they put the famous two lottery fingers up to him, probably reckoning they won't get the next contract anyway, so why not take the money and run? He replies, "If they do that they would be very foolish. They will fail to redeem their public honour," sounding like a vicar who had just caught bad boys pilfering the church charity box. Is that all? No, Smith says.

He may go further: "I am going to ask for work to be done" to examine how much money would have to be paid in compensation if the Government overturned the Camelot contract before its 2002 ending date. He has no idea, but guesses ruefully that it would be "substantial".

He turns with distaste from the Camelot miscreants. We discuss a subject he much prefers, how better to use the lottery arts money. Arts institutions everywhere have been appalled at finding that lottery money can only be spent on capital projects. "It is now spent on the wrong things, on buildings and not on people," Smith says. There have been many warnings of great echoing empty arts monuments with no money to pay for any kind of arts to happen within them. But now Smith says he will allow the money to be spent on the arts themselves.

He will encourage those distributing the funds to set their own coherent strategy, proactively seeking bids in the fields that they want to promote instead of waiting for haphazard bids to land on their doorstep. It means, for instance, that where some excellent, perhaps local community, project has worked very well, the funders will be able to recommend replicating that success elsewhere by soliciting bids from local authorities who may never have thought of it.

He talks with visionary zeal of how much he wants the nation transformed by arts of all kinds – all strictly within existing budgets, of course. But with the huge windfall of lottery money better spent, it can be done, he says. Oddly enough, a sign of the curiously changed times we live in.

he praises the old reviled GLC in its heyday as an example of what he wants to see happening all over the country – the days of fireworks on the river, a myriad of small arts projects, a thousand artistic flowers blooming. He has favourite schemes, such as the Gateshead metro carriages that are unexpectedly transformed by artists, live music in shopping malls and airports instead of Muzak, bleak urban spaces made beautiful with sculpture and sympathetic landscaping.

Both he and Mark Fisher, his deputy, talk with a kind of breathless energy about how their department will become the pivotal point of the new Jerusalem, New Labour's spirit and soul. Until now, the place has been a lost staging-post where nothing happened under four heritage secretaries in just five years, all transients on their way up or down, most singularly unmoved by the arts. Where was Chris Smith last Saturday night? At *Elektra*, at the Royal Opera House, a more difficult opera where tickets, he said, were still to be had for £7.

So what can they do? All new government buildings from now on will be works of art. All government furniture, for instance, will no longer be a purely functional but an aesthetic statement. (Over the next few years examine every new chair and coffee cup). As patrons of good design, the Government has huge influence but fails to use it or even to think about it. Their enthusiasm is catching and soon you begin to visualise their castles in the air. In Jerusalem the Golden there will be art everywhere. Music will play, artists will perform, paintings will blossom in every corner. Art will regenerate lost housing estates and art will be the great motor of the new economy. Ah, the honeymoon period still feels good – may it last for ever.

How will he judge his success at the end of his reign? He reckons off many goals, but first come the museums and galleries: he wants to make them all free again. He talks of people being able to just wander in, look at one painting or object for a few minutes over a lunch hour and stroll out again without paying. The great arts institutions will have to devise ways to open their doors to the masses. The Royal Opera House, for instance, that butt of all anti-art venom, will have to offer more broadcasts, cheaper seats and

more performances relayed onto the Covent Garden piazza for all passers-by to enjoy. He talks of boosting the creative economy right across government departments.

However, there could be a worm inside the heart of Labour's new Jerusalem – Murdoch. Here Chris Smith picks his words with such caution he slows down to half-speed, for the world awaits any sign of a Labour pay-back for the sudden and somewhat comic support of *The Sun* and the *News of the World* in the election.

Murdoch, effective controller of BSkyB, will own and control the future of digital satellite broadcasting: all others, including the BBC, will be obliged to enter this new broadcasting universe through his gateway to his set-top box, mitigated by the intervention of Ofcom. This very month the ITC will make its crucial decision about whether or not a Murdoch-dominated consortium will also gain control of digital terrestrial television, excluding any real hope of a competitor in the same market for his prime movie and sports rights. What does Smith have to say about the ITC's imminent decision? As if walking over red hot coals, he replies that the ITC jealously guards its independence and expects no guidance from him. But several times he stresses that his goal is "the widest possible diversity and plurality" in the media – a good sign, but more of a hint than a brave commitment.

Will there be an overall media policy? Yes, though not in the first batch of legislation. There will be a sign of relief among many to hear him say emphatically that there will be no change in the current 20 per cent law – which bans any newspaper group with more than 20 per cent of the general readership from owning an ITV franchise or taking over Channel 5. During the passage of the Broadcasting Act last year, Labour's position was regarded by many as less than honourable when they wanted this threshold raised in order to please both the Mirror Group and Murdoch's News International. In a disreputable bid to woo them before the election, this would have allowed them into terrestrial television.

So what will the new media policy be? "We will be looking at the legislative framework of press freedom, diversity, plurality and access for everyone to the widest possible range of sources

of media and information. Issues arising in the immediate future will concern access to the new digital world... and the wider issue of ownership." However, everyone knows that relations between Murdoch and Labour will not be decided inside the Heritage department, but in the highest cabals among top dabbblers in the black arts. Any dispassionate observer of Chris Smith's body language – the screwing up of his face and the shifting about uncomfortably – might glean that if all this were left to him alone, he would have no truck with monopolists. But even this much he will not, can not say.

Except the hint emerges again, when he promises to increase the number of the crown jewels of sport that must be offered free to air to all. "There is no legal restriction on the number of events that could be added to the list," he says. Since Murdoch uses his control over key sports rights – especially the FA Premier League – as his battering ram to force his satellite dishes into more homes, this would be a direct hit at him. For Murdoch sold his dishes purely on the back of bought sports rights that once were free, together with blockbuster American movies for which he has outpriced the free broadcasters. He has made virtually no new programmes. Will Chris Smith introduce quotas, like the French, insisting that all broadcasters provide some home-grown programmes? He says it would be legally difficult to make that bite on Sky, which is not officially a Britain-based broadcaster. But he sounds as if he might like to if the legal obstacle could be overcome. Is he worried by Murdoch's looming power? "I would be alarmed at dominance from any quarter," he replies diplomatically and repeats that his goal is "genuine diversity and choice". We shall have to wait and see who stands up to Murdoch when next he tries to seize another slice of media control.

Chris Smith's mighty empire covers a plethora of other national jewels, too many to survey in one interview. Will he break the American stranglehold on our cinema ownership and film distribution? How much money will he claw back for Channel 4 from the avaricious maw of the ITV companies? What of the Millennium Exhibition? We do touch on his views of BBC bureaucracy. No other department covers so many things people hold sacred, from opera to soap opera, football to futurism. Of course he won't please all of the people all of the time: after all, *de gustibus non est disputandum*.

Chris Smith meets the press after his 'full and frank exchange of views' with the top brass of Camelot yesterday. Photograph: Peter Macdiarmid

Enthusiasm is catching; soon you can see their castles in the air

Coming soon, an explosive new Irish sitcom

I see they are at it again.

The people who make all the money out of Irish comedy.

I'm not with you. Surely you must have noticed the plethora of comedies set in Ireland?

Ballykissangel and *Father Ted* and all those?

Oh, those. Well, you must see comedies somewhere. Why not in Ireland?

Oh, sure. But why now?

There hasn't been a comedy set in Ireland for 30 years, and now suddenly they're coming along the airwaves like juggernauts on the motorway. There's

Ballykissangel and *Father Ted* and *The Mahaffys*...

The who?

That's what I was saying. They're at it again. There's a new comedy series on Radio

4 this Wednesday called *The Mahaffys*. Here's what the

Radio Times says about it.

"Welcome to Tubberbiggle, a small town in the west of Ireland that is the scene of some surreal goings-on in this new comedy. The priest does a phone-in confession show for local radio..."

Tubberbiggle? Was that

name made up by the same man who thought of the name

"*Ballykissangel*"?

I don't know. But doesn't that summary remind you of something?

Yes. It reminds me of every other new comedy set in Old Ireland.

Right in one. And why are they all set in Ireland?

I mean, why are they all set in the Republic of Ireland?

When did you last see a comedy set in Northern Ireland?

Ah, well, that's different. Northern Ireland's a serious place. Can't joke about death and violence.

Oh, really? Did you ever see an episode of *MASH*?

Hmm. So why are all these comedies set in the Republic of Ireland, since you ask?

Because it's another form of British colonialism.

Pardon?

All these comedies are manufactured by the English and inflicted on the Irish.

They are visions of an unreal, long gone, simple-minded sunny Irish countryside which exists nowhere except in the innocent minds of English TV executives. Go to



Miles Kingston

Irish writers and what do you find? You find gritty stories set by Roddy Doyle on Dublin housing estates. Go to reality and what do you find? You find Irish journalists being shot dead by Irish drug barons. You find corrupt and pederastic priests being shielded by the Catholic Church. You find 100 yards of good road being built by EU money which should have built 100 miles. You find...

Hold on a minute. And it's always been the same. The English have

always done delightful little unreal comedies in Irish settings. Somerville and Ross's *Tales of an Irish RM*, Spike Milligan's *Puckoon*...

But it was always a colonial view of Ireland. The Irish don't see it that way. The Irish have mostly found only tragedy in their own land, which is why we had Sean O'Casey and Samuel Beckett and WB Yeats and all those gloomy fellows. Most of them got so depressed by the place that they had to leave Ireland, leaving it free for fantasists like J.P. Donleavy to come in and misdescribe...

Hold on, hold on. What about the people you've left out? The comic Irish writers? Brendan Behan? Flann O'Brien? The JM Synge of *The Playboy of the Western World*?

Nothing very comic about that lot, deep down. Brush away the froth and foam from the top of a Brendan Behan play and you find a dark and bitter mix beneath. The Synge play is all about failure, not success. And so on.

So what are you going to do about it?

Ah! I'm glad you asked me that! I'm going to break new ground. I'm going to produce the first English TV sitcom with a Northern Ireland setting. And it's going to be set in an IRA cell!

WTAF? So all the characters are IRA members?

That's it. And in the first episode they plan to blow up the local McDonald's, like the McDonald's that was blown up in France last week, in St Jean-de-Luz.

But why would the IRA want to blow up a McDonald's and kill innocent people?

Ah! That's the whole point. Nobody is killed. The place is empty. It's the middle of the night. The IRA blow it up to gain intellectual respectability among all the chattering middle classes who hate burger chains...

Hmm. I don't know...

And the Northern Ireland Film Commission is offering generous start-up grants to any TV drama set in the province, up to £40,000.

Ah! Why didn't you say so in the first place? And what are you calling this sitcom?

"Ballymurphybeanish". Fair enough.

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هنا من الأصل

Never take your voters for granted, Mr Jospin

In a mature democracy it matters how you consult the electorate. The conventional way open to Jacques Chirac, the French President, for refreshing his centre-right government was to have sacked his Prime Minister, Alain Juppé, and to have reconstructed his administration without calling an election. But in dissolving the French National Assembly a year before elections were due to take place anyway, Mr Chirac appeared to be considering only his own convenience. He forced a contest upon Mr Jospin's Socialist Party when it seemed evidently unready for combat, and he chose the month of May for the campaign because his many holidays made it a difficult period for the left to assemble its forces.

The French electorate instinctively disliked this. You must neither ask voters questions they do not wish to answer, nor take them for granted. The episode reminded me of Mr Heath's dissolution in 1974 during a period of severe labour unrest. He appeared to be asking the electorate two questions rather than one: "Do you support my government's right to rule?" and "Are you sympathetic to the striking miners?" At the time, many voters felt the answer was "yes" to both questions. As a result, Mr Heath narrowly lost and a second election had to be held six months later to give Mr Wilson's Labour government a workable majority.

Mr Chirac's plan to renew the mandate for the centre-right coalition from which he himself springs had a second flaw. His government failed to keep the undertakings he made when he defeated Mr Jospin for the presidency two years ago. Unemployment has not been diminished, nor has the government been more responsive to people's hopes and fears. Thus when the former president, Valéry Giscard d'Estaing, commented that the electorate wished to be governed "autrement", in some other way, his remark was endlessly repeated and confirmed the French voters in their resentment of the Chirac/Juppé approach. As George Bush and John Major have both discovered, electorates no longer tolerate broken promises.

Nor are they easily frightened by politicians' tales of doom. Mr Major's warnings that Labour's constitutional plans would lead to the break-up of the United Kingdom and undo a thousand years of history were contemptuously rejected. Likewise Mr Chirac's repeated references to the dangers of cohabitation, under which a right-wing president must work with a Socialist government, were counter-productive. By their decisive vote on Sunday, the French replied that, on the contrary, they positively welcome power sharing. Indeed they are looking for a new politics. Mr Juppé recognised this in calling for "un vrai changement", the president sought a "nouveau élan" and Mr Balladur, the former prime minister of the centre-right, who "cohabited" with Mr Mitterrand, said that a liberal policy "à la Française" must be invented which does not simply copy the Anglo-Saxon model.

The indispensable element of the new type of politics is pluralism, the toleration of a diversity of opinions and values, the exact opposite of one aspect of Thatcherism. There is something of this attitude in Mr Blair, with his use of senior business people for some key tasks



Andreas Whittam Smith

Mr Chirac's government failed to keep the promises he made when he won the presidency two years ago

and his stated willingness to let independent experts comment on legislative proposals before they reach the House of Commons. But whether by necessity or desire, Mr Jospin carries the notion of pluralism much further. He led a coalition comprising what *Le Monde* called a "strange alchemy" of socialist women, unknown Green candidates and a Communist Party still mutating, but not so fast that it has yet had to change its name.

For the past two to three years, these various strands of the French left have been engaging in a dialogue which, according to Mr Jospin, showed respect for each participant and which was conducted in public. While this process has led to large areas of agreement, Mr Jospin readily admits that differences remain. Chief among these is the Communists' opposition to monetary union. Whereas Mr Jospin wishes a soft Euro-currency rather than the hard form originally envisaged by Messrs Chirac and Kohl, the French Communists are uninterested in any version.

But now that Mr Jospin has won handsomely comes the test of pluralism. The Socialist Party trounced the centre-right coalition but it still does not quite have a majority over all other parties including the Communists and Greens. Mr Jospin has quickly to reach accord with his partners on the open questions. But even if he had secured an overall majority, he would still have wanted to form a coalition. For him, pluralism has its own virtues. He said last week that, were he in a position to form a government, it would have to represent faithfully the "contours and proportions" fixed by the electorate. This seems of a piece with Mr Jospin's character, a mixture of strictness, simplicity and total honesty. People find it easy to identify themselves with him. "I have absolutely no desire to belong to any sort of elevated group. I take real pleasure in being faithful to my origins" he said recently.

Mr Jospin must hope to be Prime Minister for the next five years and then, for the second time, to stand for the presidency. What will he need to be able to say to the French electorate in 2002? He will have to show that many new jobs have been created during his period in office and that unemployment has fallen sharply.

He will have to have dealt effectively with the question of monetary union. On the one hand, it is an imperative of French policy to bind Germany tightly into the European Union; on the other hand French people will go on strike, or riot, if they are asked to pay a heavy price for strict monetary union in terms of employment and taxation.

The project must thus be fudged or postponed; it is more likely to be postponed. And finally, Mr Jospin will have to remain likeable and trustworthy. French voters want a more satisfying dialogue with their leaders than they have been used to. But such are the pressures of high office, that this is much more difficult than it seems. As Foreign Minister, Mr Juppé was open, accessible and well-regarded; as Prime Minister he became more unpopular than any of his predecessors. How to stay open-minded, attentive and responsive: that is the most difficult requirement facing democratic leaders.

Poverty's the problem, work is the solution

by Donald Macintyre

Would Tony Blair have made yesterday's South-west speech before the general election? Would he have dared to devote a speech at all entirely to the "forgotten" poor in a campaign constrained by being fought on the battleground of Middle England? The answer isn't quite as simple as it looks. It's true that the speech decisively exploded the myth – and hopes, perhaps, of some on the right – that his assault on the dependency culture is motivated by an urge to punish the workless. But his message was directed to Middle England itself, as well as to the poor. For a central part of it was to try to make the prosperous majority see why it is not in their interests to try to exclude a large minority from the opportunities they have as a matter of course.

In particular, Blair was trying to teach the lesson that where the Sixties was the age of the state, the Eighties of the individual, the millennium ushers in the age of the community. In the Sixties and Seventies, some of those very estates where the crack dealers now rule, where half the families are fatherless and nearly every household depends on benefits, were vital communities with their own developed version of civic solidarity. This was a world, now only half remembered among the smashed windows, graffiti-splattered walls, and life stinking of urine; one where the shop steward at the local factory would also be a primary school governor, stood for election to the local council, entered his geraniums in the local flower show, played in the pub darts team, and expected to know where his teenage children went at night. To recall this isn't mere nostalgia – that world has gone for ever, along with the jobs on which it depended. It is rather to point how those communities were centred on the world of work. The assumption that your children, particularly the males, would at the very least be able to follow you into a job at the same, or a similar plant, was near total. The micro-society was often an extension of the workplace; the networks of extended family and factory floor criss-crossed from street to street.

Two points follow from this. First that work and the cohesion of a community are closely related. This view was not consistently held by all poverty campaigners in the Eighties, who tended to believe that distribution of income whether through work or by other means, including benefits, was a vastly more critical determinant of the health of a community, perhaps even whether there was a community at all. Only more recently have most reverted to



The estate we're in: Tony Blair delivers his message yesterday

Peter Macdiarmid

There was a time when the shop steward at the local factory would also be a school governor and knew where his teenagers went at night

the view that in work lies self-esteem, collective as well as individual, with resulting benefits that extend well beyond the merely economic.

The other point is a sharper, harsher lesson: that it is no good staying on benefit until the job you're qualified for, or want, or used to have, turns up. Gordon Brown's budget next month will be shot through with the belief, first that the longer a person is unemployed, the less likely he is to be employable, and second that a job behind the counter at McDonald's or at the local car wash puts him or her on the first rung of a ladder that leads back to a permanent and improving position in the labour market. This is why Blair yesterday ruled out the option for those on the programme – though not, as Polly Toynbee pointed out here yesterday, for

single mothers – of taking the benefit and refusing work. Those who wring their hands and say – wrongly – that these are punitive solutions borrowed crudely from the US forget, perhaps because they are so used to it, what a bold step is the windfall tax on the utilities in ensuring that there is at least £3bn to provide this work, in large part through rebates to employers prepared to take on the young. It was precisely the absence of a similar public spending commitment that so frustrated Robert Reich, President Clinton's disillusioned Labor Secretary.

No, you can't be 100 per cent sure that it will succeed. Yes, it's a one-off commitment. But if it does start to reduce worklessness among the young and the long-term unemployed, then the savings it generates will create a momentum of its own.

There's every chance that many businessmen and volunteers won't want to be left out of the excitement of a New Deal generated by a new leader with a huge mandate and a clear sense of purpose.

And, beyond that, who else has been offering solutions? The old left, with a frame of reference shaped by its own base in the mines and docks and manufacturing plants that have vanished in the post-Fordist age, didn't. The unions themselves, literally dependent on their focus on those in work rather than those without it, didn't. The Tories, prepared for the most part to ignore the workless minority as the price of a competitive society, while kidding themselves that unemployment had nothing to do with crime, didn't.

In the US more and more of the underclass are simply behind bars – two per cent of the population in jail compared with 0.3 per cent here. And of course that, in the hands of a Michael Howard or a Peter Lilley, could be a sort of answer here: a lot flows from the lie that crime and drug use and vandalism has nothing to do with unemployment, including the proposition that the only way to deal with the aggravating tendency of the workless to drift threateningly from their world into that of the prosperous to mug, or sell drugs, or burgle, is to lock more and more of them up after it happens, rather than to spend even a fraction of the public money that costs by trying to prevent them drifting into crime in the first place. And if not that, at least to isolate them on the wrong side of the tracks in, as Blair put it yesterday, the housing estates "cut off by failing bus services where only a third of homes have a phone", with failing schools and a hugely disproportionate share of crime. Where the population subsists on drip fed benefits and zero aspirations to match.

Not since he was shadow Home Secretary has Blair so sharply expressed his guiding principle that there is a case "not just in the moral terms but in enlightened self-interest" to bring the dispossessed underclass back into the mainstream. An excluding society builds an electric fence between itself and its losers; an inclusive society, the one held out yesterday in the vision of a young Prime Minister full of the almost limitless hope that is a necessary condition of change, offers them the chance to be winners instead.

No need to apologise for the potato famine

The disaster was the result of desperately bad luck not bad men, says Ruth Dudley Edwards

A benign consequence of "the great sacrifice" which England had made to help the starving Irish during the potato famine, wrote the editor of *The Economist* in 1847, was that "of convincing every reasonable Irishman, and the world at large, of the deep interest which is felt by the Government and the people of this country for the welfare of Ireland".

James Wilson would have been bewildered and horrified to learn that 150 years later Britain is credited in the Irish folk memory – and general liberal opinion – with callously allowing a million people to starve to death; at the extreme end of the spectrum, in the ghettos of West Belfast and the dumber reaches of Irish-America, she is accused of genocide. He would have been incredulous, also, to hear that a British prime minister has sent to a famine commemoration event a message that says, *inter alia*: "Those who governed in London at the time failed their people through standing by while a crop failure turned into a massive human tragedy."

Admittedly, Tony Blair's statement last Sunday was cautiously worded. He did not in fact apologise, for that implies retrospective responsibility, but he sadly noted the failure of his government's predecessors. Had New Labour been in power in the 1840s, we infer, everything would have been different: efficiency tempered with humanity would have sorted the problem out.

Mr Blair is too sanguine. Even in these days of instant communications, fast transport and international co-operation, the developed world has still found no way of eradicating famine. The heart directs that immediate needs be met; the head fears worse long-term suffering if peoples give up self-reliance in favour of aid-dependency.

The debate has altered little from that which divided Westminster politicians 150 years ago. The Tory government, under Sir Robert Peel, used its heart, provided cheap food, set up public works and was accused by Whigs such as



Starving victims of the Irish potato famine in their cottage in 1847. Illustration: Topham

James Wilson of inviting disaster by giving way to dangerous sentimentality. The Whigs saw the protectionist Corn Laws as having been a major cause of the famine, and enthusiastically supported Peel in bringing about their abolition.

The consequent split in the Tory Party brought the Whigs into office in June 1846, determined on hard-headedness, but confident that a free market in corn would resolve the problem of food shortages. They were not expecting that the potato crop would fall again, and when it did, they had no idea what to do.

On the one hand were the free-market ideologues who believed utterly that government interference was malign: "irremediable ruin and degradation" would follow, explained Wilson, should Ireland not be left to her own devices. What was wrong in principle had to be wrong

in practice: "The science which serves only to navigate a ship in fine weather, and is inapplicable in a storm, is unworthy of the name." Yet his friend Lord Clarendon, then President of the Board of Trade and later Lord Lieutenant of Ireland – normally a stout proponent of *laissez-faire* – defended the Whig government's feeble efforts to provide some temporary remedies: "you in fact say do nothing, which is exceedingly comfortable for a gentleman writing by his fire-side in London, but not at all practicable for a government having to answer to the humanity and generosity of England for the mortality of Ireland."

The disaster that between 1845 and 1851 caused a million deaths and led about one and a half million people to emigrate was largely a result of desperately bad luck. The population

had doubled over the previous half-century; dependence on the potato – the staple food of half the Irish people – was greater than ever before; the fungus that destroyed the crop was unknown (no antidote was discovered until 1882); and Britain had suffered a bad harvest in 1846 and a financial crisis in 1847. The scale and duration of the Irish famine would have made it impossible for any British government to have coped with it, but it was calamitous for the Irish that the Russell government were anti-interventionist ideologues.

Of course, some in the British government were callous, many more were unimaginative and compassion fatigue set in early, but most of the politicians and public servants involved were trying honourably to deal with a disaster way beyond their competence.

The belief among Irish nationalists that the British can be blamed for the famine is founded to some extent on our Irish national inferiority complex. Whether complaining about the Northern Ireland of today or the Ireland of yesterday, nationalists tend to see British cock-ups as conspiracies. And there is, too, a national enjoyment of the culture of victimhood. The Irish people were "more sinned against than sinning", observed Bertie Ahern, the Fianna Fail leader who hopes shortly to become prime minister – a remark which is first cousin to republican propaganda about the Irish having been what the historian Liam Kennedy calls MOPE, the Most Oppressed People Ever.

The Prime Minister mercifully avoided setting a precedent by making an apology based on a false premise. He will shortly be asked to say "sorry" for Bloody Sunday; there are many more grievances to follow. It is time for him to take advantage of his youth and newness and say with his customary trenchancy that then was then and now is now, and that grown-up and equal neighbours should draw a line under their past and get on with making the best of their present.

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Chancellor breaks tradition and goes for 2 July Budget as he appoints external members to Bank of England's monetary committee

Brown names panel to set interest rates

Tom Stevenson
Financial Editor

The Chancellor put an end to speculation on two fronts yesterday, naming 2 July as the date for his first Budget and announcing the four outside members of the Bank of England's Monetary Policy Committee (MPC) which will be responsible for decisions on interest rates.

Professor Charles Goodhart, Dr DeAnne Julius, Sir Alan Budd and Professor Willem Buiter will join Eddie George, Governor of the Bank of England, his two deputies and two further Bank members in a nine-strong committee to determine monetary policy.

The decision to hold the Budget on a Wednesday marks a break with the traditional Tuesday speech in order to avoid a clash with the handover of Hong Kong to China on 1 July.

The MPC appointments, which were seen as non-political and likely to have a neutral impact on policy, were welcomed by City economists. Eddie George also endorsed the appointments, adding: "I believe they will make a major contribution to the quality of the Bank's monetary analysis and to the authority of our monetary policy judgements."

The role of the new committee was announced by the Chan-

cellor on 6 May when he surprised observers by setting the Bank of England free to determine the level of interest rates. It will be accountable to the Court of the Bank, which was strengthened yesterday by the appointment of Christopher Allsopp, a macroeconomics specialist at New College, Oxford.

He replaces Lord Simon, the former BP chairman, who joined the Government recently as a trade minister with special responsibility for European competitiveness.

The committee will have little time to prepare for its first monthly meeting, which takes place this Thursday and Friday. Professors Buiter and Goodhart are expected to vote at the meeting – the other two will not join until the autumn.

Economists were divided yesterday on whether a quarter-point rise in interest rates would be announced at midday on Friday. Andrew Cates, an economist at UBS, said he expected the first meeting to result in rates being left alone for the time being. He said: "Economic data over the past month has not been strong enough, in our view, to warrant a tightening of monetary policy, and we believe they will wish to wait and see what Gordon Brown delivers by way of fiscal tightening in his mini-Budget."

The appointments of Professor Goodhart and Sir Alan Budd were singled out as particularly welcome.

Professor Goodhart, currently Norman Sosnow Professor of Banking and Finance at the London School of Economics, has been called the best monetary economist in the country by his peers. As a former senior adviser at the Bank of England, he already has considerable experience of the workings of the institution.

Sir Alan, chief economic adviser at the Treasury since 1991, is associated with the economic successes of the previous government and his appointment was viewed as giving a degree of continuity to policy making. Previously group economic adviser at Barclays Bank after 14 years at the London Business School, he has also held appointments at the Securities and Investment Board and the Stock Exchange.

DeAnne Julius, a US citizen who has lived in Britain since 1986, has been chief economist at British Airways since 1993, following a career that included spells at Shell and the World Bank in Washington. She is less well known in the City than the other three but is expected to bring an industry viewpoint to discussions. Willem Buiter, currently Pro-



Called to the committee (clockwise from above): Alan Budd, chief economic advisor at the Treasury; Willem H Buiter, Professor of International Macroeconomics at Cambridge University; DeAnne Julius, chief economist of British Airways; and Professor Charles Goodhart, of the LSE



fessor of International Macroeconomics at Cambridge University, has held academic posts at Yale and Princeton in the US and at LSE and Bristol University. Described as a "brilliant" economist, he is known to have strong, if unorthodox, views on

monetary union. While favouring the currency union, he has described the Maastricht criteria on fiscal deficits as nonsense. Gordon Brown's "welfare to work" Budget, the first by a Labour government for 19 years, will take place just two months

after the landslide win on 1 May, with attention focusing not on whether he will tighten fiscal policy, but by how much. Economists said yesterday he will need to perform a difficult balancing act, keeping Labour's election promise not

to raise the overall tax burden on ordinary people and demonstrating that the party can make a difference to unemployment and the quality of key public services – all while keeping financial markets happy. A central plank of the Bud-

get will be a windfall tax on privatised utilities that will be used to fund a programme to cut unemployment. That will form part of an expected £4bn net fiscal tightening, with up to half of that aimed at the consumer. Comment page 21

Windfalls average £2,400 on Halifax market debut

Tom Stevenson
Financial Editor

The Halifax muscled into the stock market's top flight yesterday after its shares started trading at the high end of expectations. The flotation of what is now Britain's third-largest bank after HSBC and Lloyds TSB handed 7.6 million former members windfalls worth an average of just over £2,400.

The shares began trading at 774.5p, almost twice as high as Halifax's original estimate earlier this year, before settling later in the day to close at 745p. That still rewarded members who decided to hold on to their shares – those who sold out in last Friday's auction received 732.5p a share.

As expected, some institutions were prepared to pay well over the odds to gain a weighting in the stock, which is due to enter the FTSE 100 index in three weeks' time. Index-tracking funds that are obliged to have a holding in the shares are expected to maintain buying pressure on the shares in coming weeks.

One bid in Friday's auction of unwanted shares was pitched at 815p, almost £2 higher than the fair value attributed to the company by a number of analysts. Other cooler heads managed to pick up shares for as little as 710p, the lowest successful bid. The sale of 23 per cent of the shares last week, the biggest-ever trade in the Stock Exchange's history, means that almost 2 million people have windfalls of at least £1,465 burning a hole in their pockets. Expectations are that a large proportion of the £4bn raised in the auction will be spent, with

What the institutions paid at last Friday's auction

Price (p)	Shares sold	Number of bids
815	50,000	1
812	252,000	1
800-809	931,000	4
790-799	1,715,000	7
780-789	4,356,000	12
770-779	11,484,000	24
760-769	25,586,000	32
750-759	65,712,000	76
740-749	74,251,000	85
730-739	99,246,000	147
720-729	157,604,000	200
715-719	51,366,000	81
714	320,000	4
713	5,987,000	8
712	23,165,000	23
711	32,289,000	20
710	14,327,878	67

holidays, home improvements and consumer durables top of most buyers' wishlists.

Gary Marsh, head of corporate affairs at Halifax, said: "We hope our members will be delighted with the price. We are pleased to be able to cement our relationship with them."

Analysts had forecast a high opening price at the auction, although they said the price could have been even higher had there not been a fall in shares in the bank sector on Friday.

success of the flotation. He saw other bank shares recovering from last week's weakness to come back in line with Halifax.

He said the Halifax's premium to the sector reflected: "Both the short-term scarcity value and the fact that most investors having seen the company on the road show have formed the view that this is a stock they definitely want to own."

He thought the company's entry into the FTSE 100 index could prove a watershed for the shares, however. "My best guess would be that the rest of the sector is likely to come up a bit and Halifax will probably stay, broadly speaking, where it is, maybe drift back a little to meet them," he added.

A number of institutions have been selling other financial stocks in order to settle for the shares they acquired at auction on Friday. That selling pressure had taken the shine off the sector, which had been one of the market's best performers since the beginning of the year, rising by more than 30 per cent.

Attention has now turned to Halifax's £3bn of surplus capital. With a customer base of around 20 million, the new bank is expected to swoop in the life assurance market to take fuller advantage of its already strong franchise. It has already acquired Clerical and Medical and Legal & General has been tipped as a possible target.

Halifax is also expected to use its dominant position in the domestic mortgage market – it is responsible for a fifth of all UK home loans, generating 85 per cent of its profits – to build up a non-housing related credit business.

EMU turmoil hits Deutschmark

Michael Harrison

The Deutschmark, and to a lesser extent, the French franc took a battering on the foreign exchanges yesterday as dealers concluded that the outcome of the French elections paved the way for a broadly-based single currency with a further fudging of the criteria for entry.

However, some commentators forecast that the return of the left to power in France and continuing turmoil in Germany could force a postponement of the 1999 starting date for economic and monetary union, possibly within the next few weeks.

In London, the dollar made strong gains against both the German and French currencies, as did sterling which was bolstered by speculation of a base rate rise later this week following strong manufacturing output figures.

The pound climbed three and a half pence to reach DM2.8247 while it put on nine centimes against the French franc to hit FF9.5261. Meanwhile

the Deutschmark also lost ground to a range of Continental currencies including the lira and peseta as European bond markets held steady.

The prevailing view in the foreign exchange markets was that the Left's victory in France would spell a softer EMU with both Italy and Spain qualifying for early entry. Robert Lind of ABN Amro, said: "That does have serious implications for the Deutschmark, at the moment dealers perceive it as a dying currency. Rather than worrying about EMU blowing up the market has decided that the French election result means a much more broad-based EMU with a soft centre."

He added that attempts to talk up the risk of a delay had been overdone. However, in the current state of uncertainty, others were more concerned that a delay now looked more likely. Alison Cottrell, chief international economist at Paine Webber, said that the risks to EMU starting in 1999 had risen immensely in the past fortnight. The

"central case", she added, had now shifted from EMU starting with a narrow band of countries to a delay in its launch.

Robert Prior of James Capel said: "This is a further nail in the coffin of a credible and firm start for EMU in 1999. We are left with an EMU that permits wide membership and lack of credibility." He also cautioned that the markets had not fully priced in the risk of delay.

Julian Jessop of Nikko Europe said: "The markets are nervous and split evenly between those who believe EMU will go ahead but on a diluted basis and those who don't think it will happen. People are waiting for the next decisive move one way or another. My view is that the project will blow apart but not until next year."

Although both the German and French equity markets rebounded to end the day showing gains, there was a widespread sentiment that Europe was, as one dealer put it, "not the place to be. There have to be less risk places to put your money."

David Marsh of Robert Flem-

ing Securities, said that a decision to postpone EMU "now looks increasingly likely – possibly in the next few weeks".

Although the pound benefited from its recently-acquired "safe haven" status alongside the dollar and the Swiss franc, London shares failed to ride the same wave, the FTSE100 Index falling 58.5 points to close at 4,562.8.

The London market took its cue partly from Wall Street where the Dow fell back in early trading but dealers also speculated that strong figures from the latest Purchasing Managers Index could point to an increase in interest rates. Rising orders, faster output growth and a further increase in employment took the PMI Index to a two-year high in May. Simon Briscoe of Nikko said: "The direction of this survey and other evidence from the last month suggests that the growth of the economy has continued. The pressure remains for higher rates on Friday."

Market report, page 22
Hamish McRae, page 24

Emap puts 'for sale' sign over magazines

Emap is hoping soon to clinch the sale of several of its businesses, following approaches from a prospective purchaser, writes Cathy Newman. According to an internal memo, Emap's decision to put a package of around 14 titles up for sale is part of a "strategic move to focus investment within fewer, bigger markets".

The company is aiming to complete the sale "within the next few weeks", the memo adds. Among the magazines earmarked for disposal are Press Gazette, Media Week, and AV Magazine.

The identity of the buyer is

unknown, but it is understood that the titles are not being bought by publishers of rival magazines. Analysts speculated that Pearson or Miller Freeman could snap up the publications being sold.

Despite the likelihood of imminent disposals, Emap said as it unveiled annual profits before tax up 40 per cent to £121.1m, that it remained keen to acquire, particularly radio licences.

Robin Miller, group chief executive, hoped that the current radio points system would be revised, allowing Emap to expand more aggressively in the sector.

Investment column, page 23

Lanica to stay suspended

Magnus Grimond

Lanica Trust, the investment trust vehicle of Andrew Regan, has failed to resolve the problems with the Stock Exchange which have prevented the group's shares being relisted, despite publishing long-delayed results yesterday. After rising 10 times over four months, the shares were suspended in February at £19.50 just ahead of it emerging that Lanica's Galileo associate planned a £1.2bn bid for the Co-operative Wholesale Society.

The group said the suspension would be continued until there was a "resolution" to the private prosecution brought against Mr Regan and his associates over the alleged theft of confidential CWS documents and a Serious Fraud Office investigation into a £2.4m payment made by Hobson, a company formerly run by Mr Regan.

A spokesman for the Stock Exchange said yesterday: "We are still in discussions with the company about these matters. There are a number of things to sort out." He refused to specify what a resolution of the matters would involve, but the company does not expect great difficulties lie ahead.

A representative said: "They are very, very confident that both the private prosecution and

the SFO thing will not go anywhere." The SFO has yet to make contact with anyone connected with Lanica.

The comments came as Lanica, formerly called New Guernsey Securities Trust, revealed that pre-tax profits of £586,000 in 1995 had turned into losses of £397,000 last year.

The figures were hit by the decision to write-off the entire £602,000 investment in Galileo, which the liquidator's latest report shows still has net assets of £7.48m out of the original £9.6m injected into the company by its backers.

Mr Regan said they would "continue to examine investment opportunities which, over time, will provide our shareholders with substantial potential for capital growth".

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STOCK MARKETS									
FTSE 100									
Index	Close	Week's chg	Change (%)	1996/97 High	1996/97 Low	YTD (%)	1995/96 High	1995/96 Low	YTD (%)
FTSE 100	4621.30	-40.5	-0.9	4693.90	4056.80	3.54	4729.40	4469.40	5.63
FTSE 250	4495.80	-10.9	-0.2	4729.40	4469.40	5.63	4729.40	4469.40	5.63
FTSE 350	2240.80	-18.9	-0.7	2272.10	2017.50	3.56	2272.10	2017.50	3.56
FTSE SmallCap	2294.19	-3.6	-0.2	2374.20	2178.29	3.07	2374.20	2178.29	3.07
FTSE All-Share	2200.91	-15.8	-0.7	2230.96	1969.78	3.32	2230.96	1969.78	3.32
New York	7308.15	-39.8	-0.5	7363.41	5032.94	1.69	7363.41	5032.94	1.69
Tokyo	20068.81	+59.8	+0.3	20489.75	17303.85	0.817	20489.75	17303.85	0.817
Hong Kong	14767.81	+426.1	+3.0	14767.81	12065.17	2.997	14767.81	12065.17	2.997
Frankfurt	3547.84	-54.4	-1.5	3674.36	2848.77	1.501	3674.36	2848.77	1.501

Statistics as of 2 June

INTEREST RATES									
UK interest rates									
1 Month	6.41	6.97	7.22	8.17	7.28	8.26	8.41	6.97	7.22
3 Months	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
6 Months	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
1 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
2 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
3 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
5 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
10 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
15 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
20 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
25 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89
30 Year	6.83	8.21	6.89	8.83	6.84	6.97	6.83	8.21	6.89

CURRENCIES									
Pound vs.									
Index	Close	Week's chg	Yr Ago	1996/97 High	1996/97 Low	YTD (%)	1995/96 High	1995/96 Low	YTD (%)
\$ (London)	1.6360	+0.59c	1.5348	1.6112	-0.23	0.9518	1.6112	-0.23	0.9518
\$ (NY)	1.6410	+0.65c	1.5348	1.6112	-0.23	0.9518	1.6112	-0.23	0.9518
DM (London)	2.7902	+3.44p	2.3515	2.7902	-1.19p	1.9323	2.7902	-1.19p	1.9323
¥ (London)	190.643	+2.537	165.123	190.643	-1.19p	1.9323	190.643	-1.19p	1.9323
€ Index	99.3	+1.2	85.7	99.3	-0.7	97.0	99.3	-0.7	97.0
DOLLAR vs.									
Index	Close	Week's chg	Yr Ago	1996/97 High	1996/97 Low	YTD (%)	1995/96 High	1995/96 Low	YTD (%)
\$ (London)	1.6360	+0.59c	1.5348	1.6112	-0.23	0.9518	1.6112	-0.23	0.9518
\$ (NY)	1.6410	+0.65c	1.5348	1.6112	-0.23	0.9518	1.6112	-0.23	0.9518
DM (London)	2.7902	+3.44p	2.3515	2.7902	-1.19p	1.9323	2.7902	-1.19p	1.9323
¥ (London)	190.643	+2.537	165.123	190.643	-1.19p	1.9323	190.643	-1.19p	1.9323
€ Index	99.3	+1.2	85.7	99.3	-0.7	97.0	99.3	-0.7	97.0

Statistics as of 2 June

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Killer was in the price for NatWest's ambitions

COMMENT

Whatever the cause of the breakdown in talks, Sir Christopher Tugendhat, chairman of Abbey National, wants no further truck with NatWest. But can he hope to keep it that way? Consolidation is the buzzword in banking these days ... there are no good public policy reasons for standing in its way

WE may never know how far down the merger aisle National Westminster Bank and Abbey National got before deciding to call it a day. Both parties are now staying firmly tight lipped about the whole affair. But as likely as not, the killer was in the price. It usually is with NatWest, which would like to buy something big in the UK to put itself back on a par with the likes of Lloyds TSB but has always found itself balking at the high multiples demanded.

Whatever the cause of the breakdown in talks, Sir Christopher Tugendhat, chairman of Abbey National, is now making it plain that he wants no truck with NatWest and is determined to remain independent. But can he hope to keep it that way? Consolidation is the buzz word in banking these days, as with so many other industries, and in most cases there are no good public policy reasons for standing in its way.

The retail financial services industry is undergoing a revolution; nobody can complain, as they perhaps could have done five years ago, that this is a sector that lacks competition. Traditional boundaries that separated one type of financial institution from another are breaking down. Banks are becoming life insurers, life insurers are looking to become banks. Why even supermarkets want to be banks these days. New entrants, new technology, changing horizons, and a relentless, persistent downward pressure on costs, are conspiring to drive the main players into considering ever more ambitious mergers.

Five years ago, the competition authorities would have laughed NatWest out of court had it attempted to takeover Abbey National. But times have changed, and perhaps nobody would worry too much these days. That doesn't mean, however, that we ought to be taking a sympathetic view of banking consolidation of this type. The fact that NatWest should be even contemplating a merger with Abbey National is indicative of a wider falling among our leading high street banks.

Banks still on the whole have a dreadful reputation with their customers, what was once called the building societies movement still has a very good one. While the two operate in different areas of the market place, they are both in the same business of borrowing and lending. The banks have failed to get close to their customers, choosing rather to rely on inertia and monopoly to hold their position. The building societies have been much better at it. For the failed organisation to be taking over the successful one in order to protect and bolster its position in an increasingly competitive market place is something we should all be very suspicious of.

Search on for new Government sources

New Government, new sources. It seems that we on *The Independent* are going to have to find a few more of those after round-

ly getting it wrong last week in our story purporting to name all but one of the Treasury's four appointments to the Bank of England's new monetary committee. It seems that we fell victim to someone's wish list, rather than Gordon Brown's actual list, which was duly unveiled yesterday.

Of the two there's little doubt which will go down better in the City - it is the real one, rather than the imaginary. Our original list contained at least one person who might reasonably (though unfairly) be thought of as a Labour stooge - David Currie, who sits in the House of Lords as a Labour peer. No such criticism can be levelled at those actually chosen and Bank of England insiders are justifiably delighted at the outcome.

But that doesn't mean we are going to get a more "hawkish" interest rate policy than would have been advocated by our original list - one more in keeping with the Bank's old guard. Charles Goodhart is an old Bank of England hand, sound and solid as a rock with no ideological bent either way. He is also the inventor of Goodhart's law, which holds that statistics used to determine policy become useless because they are fundamentally changed by such attention.

Dr DeAnne Julius is a business economist who will incline towards the CBI's vaguely dovish view on interest rates, if in any direction at all. But she's nobody's poodle and she'll strive towards a rigid adherence to the inflation target. The same is true of Sir Alan Budd, who presumably took Kenneth

Clarke's side in the previous Chancellor's battles with Eddie George over interest rates.

As for Professor Willem Buiter, he is perhaps the least well known of the four in the City. He's a Keynesian, though as is only to be expected, very much New Keynesian, and he is one of the leading economic advocates in this country of European Monetary Union. On the face of it, then, this does not look like a committee which is about to engineer a fierce and immediate upward lurch in interest rates.

Their brief, in any case, is as much to support the Government's growth and employment objectives as its inflation target. The Bank's old guard can also be expected to take a rather less hawkish view than they have. Advice given by a Bank which will never be judged by its actions is always bound to lean towards the extremes. Now that freedom has finally been won, a softer, more considered and paradoxically, and rather less detached approach should begin to creep in.

Rate rise looms after the Halifax handout

It was a day for superlatives in Halifax yesterday as Britain's biggest building society turned into its third largest bank with the stock market's most ambitious transfer of shares. Almost one in five people in Britain feels considerably wealthier than he or she did last week after the biggest money-for-

nothing handout this country has ever experienced.

It is hard to see yesterday's midsummer madness turning out well. More Halifax shares changed hands yesterday than the Stock Exchange normally processes in a day for all its 3,000 companies. It was no more than a massive £4bn transfer of wealth from our pension funds to our back pockets.

It is inconceivable that the ensuing consumer binge will not result in higher interest rates by the end of the year than would otherwise be the case and the 80 per cent who didn't share in the windfall will pay for the summer holidays of the lucky few through higher mortgages.

As for those long-termists who opted for a continuing interest in the Halifax rather than cash, dealings so far suggest the high water mark for Halifax shares may have been reached shortly after 8.30 yesterday morning. Having opened right at the top of expectations, it was downhill all the way until the 734.5p close, just 2p above the average price paid by the institutions in Friday's auction.

While that pays tribute to a process that achieved much better value for Halifax members than the Alliance & Leicester's early sellers enjoyed, it also suggests the market's unease at the wholly artificial valuation being put on the new bank. The amount of blue sky between what Halifax is worth and the price desperate institutions are prepared to pay to get a weighting in this financial services giant is in all likelihood a frightening one.

Metroline chiefs set for windfall on flotation

Randeep Ramesh
Transport Correspondent

Directors at one of the last independent bus companies of the old London Transport network will reap a multi-million pound harvest when the operator is floated on the stock market this summer.

Metroline, which has a fleet of 430 buses and runs routes from Harrow into the capital, is looking to raise up to £5m through an institutional placing - valuing the company at £35m.

Staff at Metroline Holdings will also share in the payout - with more than 500 bus drivers and conductors in line for cash windfalls of up to £27,000.

The directors, who collectively put up £110,000 in 1994, will see the value of their investment increase by up to eighty times the original value. Declan O'Farrell, the company's managing director, put up £40,000 three years ago and has an 11 per cent stake. His paper worth after the flotation will shoot up to £5.3m.

Metroline's 700 staff were given an average of 330 shares each through a profit-sharing trust when it was bought from the Government in a management buy-out backed by Granville Private Equity Managers in 1994. GPEM will have to sell some of its equity in order to get 25 per cent of the company on the market - a pre-requisite for a full listing.

The size of the share allocations for staff, unusually, was calculated on the length of an employee's service rather than his or her position in the company. The average staff holding is likely to be valued at about £9,000 at the time of the flotation.

Mr O'Farrell said yesterday that the money would be used to pay back £2.5m of loan stock and expand Metroline's presence in the London area, where it has 6 per cent of the bus market. "We have to replace many of the older double-decker buses to update our fleet to be able to win more new franchises," said Mr O'Farrell. "As well as



In a transport of delight: Declan O'Farrell, Metroline chief executive (left), and John Gollidge, the finance director

vehicles we will look to invest in new depot sites. We have grown our share of the market from 4.5 per cent in 1994 to 6 per cent today and intend to get a larger share."

Although the new Government has indicated that it wishes

some re-regulation of the bus industry, it is unlikely to affect the capital's routes - which are contracted out for five-year terms under the supervision of the public sector.

Metroline is one of only two companies left of the London

bus network - split into 11 bus divisions - which has not been gobbled up by the bigger transport concerns after the government auctioned them off in 1994.

The company made adjusted pre-tax profits of £3m on sales

of £37.1m for the year to October 1996. Mr O'Farrell is keen to expand the company. "In the future we shall be in the market for London Underground Tube franchises should they become available or look for more acquisitions," he said.

Hodgson resigns from Ronson

Magnus Grimond

Howard Hodgson, the man who helped create Britain's biggest undertaking group in the 1980s, has abruptly resigned as chief executive of Ronson, his latest quoted vehicle, after the lighters group warned that it would plunge to around a £2m loss for last year. The figure is double the amount the group said it would lose three months ago and sent the shares down 2.5p to 14p yesterday, an all-time low. At that level, they are just above half the 25p a share at which Ronson raised £10.4m in a rights issue in November.

It is the second of Mr Hodgson's business ventures to turn sour since he made around £7.5m selling his funeral business in 1991. He was heavily criticised after the collapse in

March 1993 of five ventures, ranging from franchised computer accounting systems to life assurance, which he had backed, losing all the £1.2m put up by 80 franchisees.

Mr Hodgson, who is to be replaced on an interim basis by David Cliphams, said yesterday: "Having given the matter much thought, I have decided to step down. I am most proud of the recreation of Ronson as a world brand and of the UK, international and duty free markets in the last three years, but I think it is time to hand over the reins."

The chief executive was paid a salary of £150,000 on a two-year contract, but the company suggested he was unlikely to receive a pay-off anything like the indicated maximum of £300,000. Alan Kilkenny, a non-executive director representing one of the

underwriters of November's cash call, said: "The manner in which he resigned suggests there is going to be a sensible arrangement." Asked if there had been any pressure from the rest of the board for Mr Hodgson's resignation, Mr Kilkenny said that had not been necessary.

Christine Pickles, corporate development director, is also to leave the group at the end of the month and both the latest departures follow the resignation of David Moffat, finance director, in November.

Mr Kilkenny said following the appointment of a new finance director in April, Laurie Todd, a number of older debts had materialised which had been classified as requiring bad debt provisions. The auditors were looking at the company's books and the figures had yet to be fully

finalised, he said. Part of the earlier losses related to problems as a result of last year's fire in the Newcastle factory.

Mr Cliphams, who joins as acting managing director, trained in marketing at Procter & Gamble and had a number of appointments, culminating in a buy-in of the publishing interests of Pentos. Mr Kilkenny said Mr Hodgson's "flamboyance has given a much needed push to the [Ronson] brand, but it now needs some sane and sensible marketing work".

Shaun Dowling, formerly an executive with Guinness, who was to become non-executive chairman now becomes executive chairman. Mr Dowling, who acquired 2.5 million shares in the rights issue, has a 3.7 per cent stake in Ronson. Mr Hodgson retains just under 2 per cent.

Eastern wants BT to pay 'half windfall tax'

Michael Harrison

Eastern, the largest of the 12 regional electricity companies, yesterday urged Gordon Brown, the Chancellor of the Exchequer, to impose the windfall tax in such a way that British Telecom was made liable for nearly half the total raised.

The company also hinted strongly in a submission to the Treasury that if BT and British Gas escaped the levy then Eastern would join in a legal challenge.

At a meeting with senior Treasury officials the company, led by chairman John Devaney, said that the fairest and most practical means of levying the tax would be on the shareholder gains made by the privatised utilities in the first year after

privatisation. On that basis Eastern calculates that BT would be liable to pay for 47 per cent of the levy or just under £2.5bn if the tax raises £5bn. British Gas, meanwhile, would have to bear 15 per cent of the levy but the 12 RECs and the two Scottish electricity companies, Scottish Power and Scottish Hydro, would only have to pay 15 per cent of the total levy. The water companies would pay 15.5 per cent.

In a written submission to Mr Brown, Eastern said that calculating the tax over a longer period than one year would move it away from the concept of being a one-off windfall tax and penalise those companies which had made genuine efficiency gains while compensating those that had performed poorly.

IN BRIEF

Lockheed docks with Intersputnik

Lockheed Martin, the giant US defence and aerospace group, is joining forces with the former Soviet space agency, Intersputnik, to attack the \$40n satellite communications market. Under a deal announced in London yesterday a new joint venture, Lockheed Martin Intersputnik, plans to launch four satellites by the turn of the century generating revenues of up to \$500m a year. Lockheed will have a 70 per cent stake in the joint venture.

Enron in \$134m settlement with BG

British Gas is to receive a cash payment of \$134m from the US power and engineering group Enron as part of a settlement of a long-running take-or-pay dispute. Enron has agreed to pay BG and its partners in the North Sea J Block a total of \$440m to resolve the dispute, which relates to a contract signed in 1993 to supply gas from the field. After the deal was signed, UK spot prices slumped and Enron sought to defer the date at which it started taking supplies. Under the settlement, the fixed contract price has been cut but Enron will still buy the same volume of gas.

Jury selection begins in tobacco trial

Jury selection began in Florida in the first-ever class action suit filed against the tobacco industry actually to reach court. Brown & Williamson, the subsidiary of British American Tobacco, along with Philip Morris and RJ Reynolds are among the defendants in the suit brought by 60,000 former and current flight attendants. The attendants are claiming punitive damages from the companies for various illnesses they attribute to exposure to second hand smoke in aircraft cabins before smoking was banned on most flights. The lawsuit, titled "Broin v. Philip Morris et al", is to be heard in Miami and is expected to take several weeks. Talks, meanwhile, between the industry and some 30 US states on a possible long-term deal to protect manufacturers against future lawsuits in return for the creation of a giant damages fund were believed to have stalled. They may resume next week.

Priory Hospitals deal referred to MMC

Margaret Beckett, President of the Board of Trade, has decided to refer the proposed acquisition by Priory Hospitals Group of Charter Medical of England to the Monopolies and Mergers Commission. Mrs Beckett considers that the proposed acquisition raises competition concerns in relation to the market for private in-patient psychiatric care in the London area.

Suntrips acquired by Airtours for \$20m

Airtours, the UK's second largest and rapidly expanding tour operator, has further expanded its overseas-based operations by paying \$20m (£12m) for ST Pacific Holdings, based in San Jose, California. Operating under the Suntrips name, Pacific Holdings offers tours to Mexico, Hawaii and the Caribbean. Airtours already serves these areas through its existing businesses in North America, the UK and Scandinavia. "This new business in northern California will complement Sunquest Holidays, our recently created tour operation in southern California, and gives us a very strong position in the overall Californian market," said David Crossland, chairman and chief executive of Airtours.

Grampian shares soar on takeover talks

Shares in Grampian Television climbed by 40p to 302.5p on confirmation that it was in takeover talks with Scottish Media, which owns Scottish Television and *The Herald* newspaper. If the talks are successful, Scottish Media will make a bid at around 320p a share, valuing Grampian at £105m. The move comes after the Government last November raised the limit on ownership of terrestrial television franchises from two to three, as long as companies do not exceed a 15 per cent share of the total UK media market.

Unexpected increase in US manufacturing

Manufacturing activity in the US unexpectedly accelerated in May from a month earlier, even as Americans slowed their pace of spending in March and April, new data showed. The National Association of Purchasing Management's factory index rose to 57.1 last month, the highest since November 1994, from 54.2 in April. A separate Commerce Department report showed that personal spending inched up 0.1 per cent in April, the smallest rise since September.

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Taking Stock

stock market reporter of the year

largely responsible for Footsie's 58.5 points slump to 4,562.8, the first time it has fallen below 4,600 for nearly a month. It has lost 109.5 points in two trading days.

Scottish Media, confirming it is in talks to buy **Grampian Television**, rose 15p to 690p. **Grampian** jumped 40p to 302.5p. **CE Health**, the insurance broker, jumped 29.5p to 131.5p. Late on Friday it dis-

Halifax was not the only newcomer. Topps Tiles, placed at 100p, closed at 111.5p.

□ **Proteus International**, the drug group, has appointed **Panmure Gordon** as joint stockbroker with **Teather & Greenwood**. The shares rose 2p to 50p.

☐ John Lusty, the food group suspended at 8.5p in March, should return to market later this month. It is paying £3m in cash and shares for Ryne Quality Confectionery.

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Abbott Me in talks o managem

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TradePoint said it would like to seek 20m

What you have to
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Abbott Mead Vickers in talks on Leagas management buyout

Cathy Newman

Abbott Mead Vickers is in talks to sell Leagas Delaney, one of its two wholly owned advertising subsidiaries, to its management. A deal could be struck within a few weeks.

Senior management at Leagas Delaney are working on a detailed business plan to be presented to the parent company by the end of the month. Tim Delaney, the agency's founder, Bruce Haines, the agency's chief executive, and four other executives, are behind the buyout proposal.

Leagas has annual billings of £70m world-wide, and it is understood management is looking to offer Abbott Mead in the region of £10m for the business. Insiders say Abbott Mead has accepted Leagas's breakaway "in principle", but a price has yet to be settled.

Rumours about Leagas's plans to separate from Abbott Mead have been circulating for some months. However, it is believed that several early attempts to hammer out an agreement proved inconclusive.

Now, following a valuation of the business by KPMG, the chartered accountants, Leagas is thought to be closer to clinching a deal.

Neither Peter Mead, Abbott Mead's chairman, nor Mr Delaney were available for comment on the Leagas situation.

Leagas executives feel they would thrive outside the Abbott Mead media empire, which has

expanded over the last few years to incorporate the media planning and buying agency New PHD, the customer magazine publisher, Redwood Publishing, and some public relations companies.

Some industry observers have said that Leagas is overshadowed by Abbott Mead, which earlier this year leapfrogged to top place in Campaign magazine's annual league table, displacing Saatchi & Saatchi.

Leagas won international work for Fanta, a Coca-Cola brand, at the end of last year. BBDO, which holds a 26 per cent stake in Abbott Mead, handles the rival Pepsi account world-wide. One advantage of the buyout would be to remove any possible conflict of interest between the two brands.

Leagas was founded 17 years ago by Ron Leagas and Mr Delaney and has 95 employees. Its head office is in London and last year it set up an office in San Francisco after winning international work from Adidas, worth £20m in annual billings. The win was the agency's biggest to date.



Peter Mead: Tight-lipped on Leagas speculation

Smiths' acquisitions step up enlargement

Smiths Industries yesterday made two acquisitions, one on each side of the Atlantic, in a move that further enlarges its industrial division.

The company is spending a total of £33m cash for Poly-Phaser Corporation, a US company specialising in lightning protection for telecoms equipment, and Torin Holdings, a UK-based maker of ventilation and air movement products.

The two acquisitions bring the total spent since 1991 on the enlargement of the industrial division to £273m. Since 1991, the division's annual sales have grown to £328m and profits have grown to £50m.

Keith Butler-Wheelhouse, chief executive of Smiths, said: "Greater focus on business

areas where we can achieve market or technological leadership is the recipe for the industrial group's success."

"These two additions clearly enhance that process. They add more than £20m to sales and broaden the range of markets we can serve. Both are expected to make a positive contribution to Smiths Industries' earnings in their first full year."

PolyPhaser is based near Reno, Nevada, and employs 140 people. It is one of the world's leading makers of lightning protection components and systems, principally for the wireless cellular telecoms industry.

Smiths has paid £28.7m (£17.6m) for PolyPhaser and has acquired net assets valued at \$7.2m. In 1996 the business

made an operating profit of \$4m.

Torin Holdings is being bought for £15.5m. It sells its products primarily to original equipment manufacturers for use in computers, business machines, and heating/ventilation equipment for industrial and domestic applications. Its product range complements the activities of Smiths Industries' Vent-Axia division, which is the leading UK supplier of fans to the domestic, commercial and industrial markets, as well as fans for domestic central heating boilers.

Based at Swindon, Wiltshire, Torin employs 155 people, and is owned by the management, which is backed by institutional investors, with 31 the lead institutional shareholder.

Tradepoint set to seek £9m

Sameena Ahmad

Tradepoint, the AIM-listed rival to the London Stock Exchange, was forced to confirm yesterday that it needed to raise money following rumours that it was in financial difficulty.

Though the group's statement gave no details of the fund-raising, it is expected to announce a private placing of less than £1m this week and is seeking to raise up to £9m in a public offering - probably involving a placing and open offer - before the autumn.

The group, which launched an order-driven electronic stock market in September 1995 to rival the Stock Exchange's monopoly on UK equity trading, is thought to be running low on cash.

Sources suggest that even with this week's new funds, it has just a few months' money left. Advisers to the company are thought to be seeking to raise around £10m in total, enough funding to cover around a year's costs and to take the group to profitability.

Michael Waller-Bridge, Tradepoint's chief executive,

said: "We want to get away from the short term financing we have used in the past and put long term money in place."

Since the group formed it has raised around £20m. Mr Waller-Bridge said that Tradepoint had no debt, but he would not disclose how much cash the group had left.

"We've built our exchange, we have the confidence of our shareholders and this trading period is the best for a year. We are on course to break even by the end of this year," Mr Waller-Bridge added.

However, some analysts have raised concerns that the group will run out of money before it hits its target of 2 per cent of UK equity trades, the volume required for it to break even.

One said: "Building up this business takes time. We don't expect the group to hit break even for 12 months."

From October, Tradepoint will also have to compete directly with the Stock Exchange's own order-driven system.

Listed at 175p, the group's shares were unchanged yesterday at 95p.

JD Sports shares dive after warning

Investors in John David Sports, which only joined the market last year, lost heavily yesterday after the sports retailer said some of its products were not selling as well as expected, slowing sales growth. The share price, which has recently been as high as 366.5p, dove to an all-time low with a drop of 59p to 271p.

The warning about trading accompanied news that profits for the year to 31 March had soared by 43 per cent to £9.6m, which was ahead of the top range of analysts' expectations of £9.4m.

However, John Wardle, chairman, said: "It has become apparent that a segment of the company's clothing offering is not selling well. Action has been taken to address this ... which will act as a brake on margins."

The warning comes amid growing demand for sports clothing, particularly among young people for football and other sports shirts. High-profile sports events like last year's Euro 96 soccer championship have helped lift demand and forced even conservative clothing retailers like Marks & Spencer to introduce sportswear lines.

JD Sports said sales in the 1996/97 year rose 56 per cent, with sales at stores open more than a year up 15 per cent. Sales in the second half of the year "returned to more modest levels" after Euro 96 and the Atlanta Olympic games had pushed up demand in the first six months.

Sales so far this financial year are up 25 per cent on the same period a year ago, mainly reflecting an increase in the number of stores. In 1996/96, the company opened 34 stores.

The cost of the rapid store opening programme impacted on operating profit margins, which fell from 12.4 to 11.1 per cent. The company also took an exceptional charge of £650,000 to cover costs of damage to one of its stores in Manchester caused by the IRA bomb attack.

Emap set on its spending spree

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Emap, the magazines to radio group, has managed to shrug off last year's boardroom bust-ups to emerge once more as a City darling. Yesterday's pre-tax profits of £121.1m for the year to March beat analysts' forecasts - which ranged from £110m to £120m - and were up an impressive 40 per cent on last year's £86.5m.

And the secret of Emap's success? Falling paper prices helped, according to Robin Miller, group chief executive. So did the UK economy, which prompted an upturn in underlying advertising revenue in the UK consumer magazine division of 11 per cent. Overall, the operating profit margin was up 2.8 per cent to 16.4 per cent.

Emap's acquisition strategy has paid off too, with major purchases such as *Tele Star*, one of France's largest television magazines, and Metro Radio contributing £12.8m to pre-tax profits.

And there's no sign of Emap flagging on the acquisition trail. David Grigson, the finance director, says the company could take on debt levels of up to £440m, which would leave room for further spending of between £250m and £300m.

Any purchases would, Mr Miller says, be in Emap's core radio, consumer magazines and business communications markets. In other words, buying a television production company is not on the agenda.

If there is a cloud on the Emap horizon, it relates to personnel. The ousting of Professor Ken Simmonds and Joe Cook from the board, over a dispute about changes to the articles of association, saw the shares drop substantially last year.

And the day last February the then managing director, David Arculus, defected to United News & Media saw a further 27p slump in the shares to 785.5p.

The stock hasn't fully recovered, dropping 5p to 782.5p yesterday, impeded in part by uncertainty over who is to succeed Sir John Hoskyns, the chairman, when he retires in July next year.

The company is, however, taking steps to calm City fears by ensuring that the succession is a painless one. An announcement is anticipated in the autumn, and if - as seems increasingly likely - Mr Miller takes over from Sir John, the issue will be resolved without too much panic.

Analysts' profit forecasts for the next few years look pretty healthy. Profits for the current 12 months are expected to be in the region of £142m; while in 1998/99 they are forecast to

exceed £160m. The forward price-earnings of 17 therefore drops to 15, which analysts reckon means the shares are undervalued by around 12 per cent. Investors still have time to tuck a few away.

600 Group fashions a brighter future

Since 1990 the 600 Group, Britain's leading independent maker of machine tools, has been dragged into the 20th century with a range of new products and a savage cost cutting programme. The results were spectacular until a profits warning in January knocked the remaining stuffing out of a share price which was anyway in decline from the 300p peak it reached a year ago.

Yesterday's 1p dip in the shares to 126.5p came as the group unveiled pre-tax profits more than doubled from

£13.4m to £30.8m in the year to March. The figures are complicated by a goodwill write-off on this year's sale of Ealing Electro-Optics and pension credits, including last year's £15m one-off repayment. Even so, the underlying 12 per cent profits rise to £11.1m was in line with the market's reduced expectations and the future is looking brighter.

The de-stocking which started to hit the group from the middle of last year has now worked its way through the distribution system. The company believes the recent strength of the US market will continue for another two years, while although both the UK and Germany will be flat in 1997, new products will help to increase 600's 4 per cent share of the European machine tools market.

Certainly the small and medium-sized businesses which make up the majority of the group's customers should do well out of the aerospace industry in the years ahead. Paradoxically, the absence this time of last year's £6m

order for British Aerospace should improve margins, given the high out-sourced element involved. A bigger question mark hangs over automotive suppliers, however, while more European economic turmoil in the run up to monetary union does not bode well for engineering markets there.

With around £1.6m net cash since the sale of Ealing, the group is now looking for acquisitions. Meanwhile, profits of £12m this year would put the shares on a forward multiple of 7. Reasonable value.

Filofax's planning under question

Faint praise was the best Filofax could muster from analysts for its full-year results yesterday. The market was understandably wary, given the personal organiser group's profits warning last July, just five weeks after an upbeat trading statement.

True, the reported figures to March were pretty awful. Pre-tax profits dropped 10 per cent to £5.9m on underlying sales down 3 per cent to £36m - this in a market growing at some 8-10 per cent a year. However, most of the damage was in the first half - when profits fell from £2.9m to £2.0m. To blame were French strikes, a cut in orders from WTL Smith and failure to tempt discerning Swedes to buy Filofax's cheapie organiser, Microflex. The second half was better, with profits bouncing back to £3.9m. That, plus strong cashflow and the promise of a £2m share buy-back, cheered the market and Filofax's share price ended 4 per cent up at 141.5p.

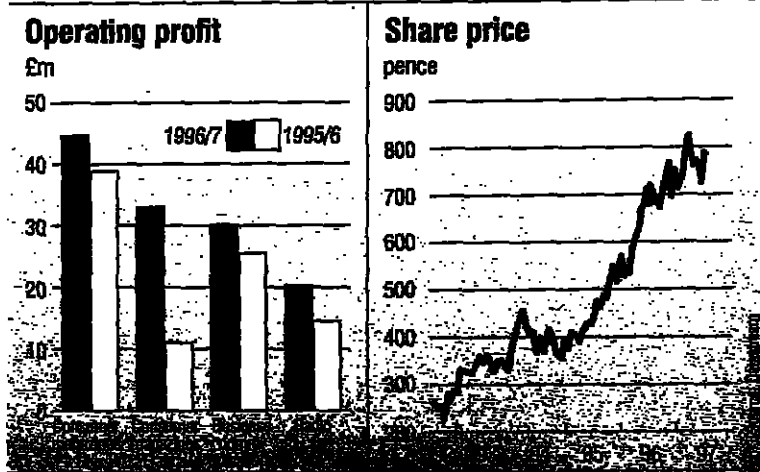
But concerns remain. One is that management has been slower moving than its markets. Filofax is only now re-vamping its binders - in this season's citrus shades - to attract key 16 to 24 year-old customers. A year ago its emphasis was on housewives.

Chief executive Robin Field has a point when he says there is still a market for paper organisers, even in the electronic age, but whether customers remain willing to pay a premium for what looks like a commodity item is uncertain.

Meanwhile, far-flung Filofax is vulnerable to the vagaries of world markets. Hoare Govett is sticking to its profits forecast of £6.5m for this year. Ten-times forward earnings sounds cheap and the management reorganisation is welcome, but investors should wait until the prospects are clearer.

Emap: At a glance

Trading record	1993	1994	1995	1996	1997
Revenue (£m)	314.3	362.4	347.1	705.0	768.5
Pre-tax profits (£m)	42.4	45.7	63.9	78.3	234.6
Earnings per share (p)	16.7	18.5	22.7	24.5	66.3
Dividends per share (p)	7.9	8.65	9.75	11.2	13.0



IN BRIEF

Trial success for PPL Therapeutics

PPL Therapeutics, the biotechnology company behind Dolly, the world's first cloned sheep, has successfully completed initial clinical trials on its lead product for cystic fibrosis. In a phase 1 trial on 40 healthy volunteers, the company showed that the drug for cystic fibrosis, AAT, was safe and well-tolerated. Cystic fibrosis is the most common fatal genetic disease among caucasians. Shares in PPL rose 2.5p to 397.5p on the news. The company uses the milk of pigs, rabbits, cows and sheep to manufacture large quantities of normally scarce human proteins for treating disease or to improve foods like baby milk.

Pittencrieff chief executive resigns

Terry Heneagh has resigned as chief executive of Pittencrieff Resources by mutual agreement. Pittencrieff said in a statement that until a replacement was found the company would be managed jointly by finance director, John Brown, and Robert Macmillan. The company also announced the resignation of Tom See, a non-executive director, for health reasons.

Biotech venture capitalists raise £19m

International Biotechnology Trust, the Rothschild-managed venture capitalists behind UK stock market high-fliers Bio-Compables and Xenova, has raised £19.4m in a placing and C share offer to expand investment in the European biotechnology sector. IBT, which invests in and advises promising, but underfunded or undermanaged, biotechs, has raised a total £85m since it was founded in 1994. To date, the group has made core investments in 12 US and two UK biotech companies.

Sales fall at Caradon's German plant

Caradon, the UK building products group, said that sales at its Weru subsidiary in Germany fell from DM82.1m (£29m) to DM78.2m in the first quarter of the year. The decline was attributed to lower volume sales and overcapacity in the market. However, the German offshoot said that lower material and personnel costs enabled the company to post stable earnings during the quarter, and earnings for the full year were also expected to reach last year's levels. Weru made net profits of DM27.3m in 1996, up from DM12.4m in the previous year.

Wyeval buys Harkness Garden Centre

Wyeval Garden Centres has acquired the Harkness Garden Centre, located between Letchworth and Hitchin, Hertfordshire. The deal takes the number of garden centres operated by Wyeval to 58. The Harkness Garden Centre comes with a 7.9 acre freehold site, for £1.75m cash plus stock at valuation.

Profit rise on Wyndeham books

Wyndeham Press Group reported an increase in pre-tax profits from £5.13m to £8.52m for the year to end-March, and said that 1997/98 has started well. John Jackson, chairman, said that order books across the group were ahead of last year. Bryan Bedson, chief executive, added: "Our strategy of bringing together a complementary range of businesses, which in turn provide significant potential for the cross-fertilisation of customers and services, continues to reap benefits."

The final dividend for 1996/96 is 3.2p, raising the total payout from 4.3p to 5.4p.

Sun Banking to pay £11m for Exeter Bank

Sun Life and Provincial Holdings has entered into conditional agreement to sell Exeter Bank to Sun Banking Corporation for £11.65m in cash. At the end of 1996, Exeter Bank had net assets of £14.6m.

Two business being sold by High-Point

High-Point, the consultancy and project promotion group, is proposing to sell its High-Point Services (USA) and Rendell Palmer & Triton (Sootland) subsidiaries to their respective management teams. The US business, headed by Gene Bennett and which made £187,000 before tax last year, is being sold for £1.35m, and the UK offshoot, which made just £5,000 in 1995/96, is being disposed of for £72,000.

INTEREST RATE CHANGE

Investment and Savings

With effect from 3rd June 1997, the interest rates for the following share and deposit accounts will be as shown below.

Type of Account	Gross % p.a.	Net % p.a.	Type of Account	Gross % p.a.	Net % p.a.
SHARE SAVER			CANARY ACCOUNT		
An account for existing customers and customers of new building societies			Interest income		
£25,000 and over	7.50	6.00	£100,000 and over	5.25	4.20
£25,000 to £24,999	7.00	5.60	£50,000 to £24,999	4.75	3.80
£25,000 to £24,999	6.00	4.80	£25,000 to £24,999	4.00	3.20
£1,000 to £24,999	5.00	4.00	£10,000 to £24,999	3.75	3.00
			£5,000 to £24,999	3.50	2.80
			£2,500 to £24,999	3.25	2.60
SPECIAL 55			£2,500 to £24,999	3.00	2.40
55 days' notice			Up to £499	2.00	1.60
£100,000 and over	6.13	4.90			
C.A.R. +	6.30	5.01	HEADSTART (DEPOSIT) AND HEADSTART		
£50,000 to £24,999	5.73	4.50	SAVINGS BOND*		
C.A.R. +	5.90	4.69	Interest income		
£25,000 to £24,999	5.42	4.33	£25,000 and over	5.50	4.40
C.A.R. +	5.58	4.42	INVESTMENT SHARE*		
£10,000 to £24,999	5.13	4.10	Interest income		
C.A.R. +	5.29	4.18	On the corresponding rate of HIGH RISE for		
£5,000 to £24,999	4.41	3.52	the bonus interest rates equivalent to those offered		
C.A.R. +	4.50	3.58	on the corresponding tier of HIGH RISE for		
£2,500 to £24,999	3.93	3.14	balances over £5,000 will be revised in accordance		
C.A.R. +	4.00	3.19	with the HIGH RISE rates shown below.		
TESLA SELECT			CLIENTS' RESERVE		
TESLA SELECT (DEPOSIT)*	6.75		Interest income		
TESLA SELECT (SHARE)*	6.40		£100,000 and over	3.20	4.16
TESLA ELITE INTEREST	4.50	3.60	£50,000 to £24,999	5.00	4.00
ACCOUNT	4.50	3.60	£25,000 to £24,999	4.00	3.20
TESLA ELITE II	6.75		£10,000 to £24,999	3.00	2.40
POSTMASTER II			£5,000 to £24,999	2.50	2.00
Interest income by post			£2,500 to £24,999	2.00	1.60
£100,000 and over	6.35	5.08	£500 to £24,999	1.75	1.40
£50,000 to £24,999	6.15	4.92	£100 to £499	1.50	1.20
£25,000 to £24,999	5.92	4.74	BUSINESS EXTRA		
£10,000 to £24,999	5.55	4.44	Interest income		
£2,500 to £24,999	4.73	3.80	£100,000 and over	3.20	4.16
POSTMASTER* ONLY			£50,000 to £24,999	5.00	4.00
Rates reflect those shown above for Postmaster II except			£25,000 to £24,999	4.00	3.20
£1,000 to £24,999	4.73	3.80	£10,000 to £24,999	3.00	2.40
POSTAL 10 (2nd Issue)			£5,000 to £24,999	2.50	2.00
10 days' notice			£2,500 to £24,999	2.00	1.60
£100,000 and over	6.50	5.20	£500 to £24,999	1.75	1.40
£50,000 to £24,999	6.10	4.80	£100 to £499	1.50	1.20
£25,000 to £24,999	5.90	4.72	CHARITY ACCOUNT		
£10,000 to £24,999	5.50	4.40	Interest income		
£2,500 to £24,999	4.73	3.80	£100,000 and over	5.20	4.16
OFFSHORE SAVINGS ACCOUNT			£50,000 to £24,999	4.00	3.20
£100,000 and over	6.25	5.00	£25,000 to £24,999	3.00	2.40
£50,000 to £24,999	6.00	4.80	£10,000 to £24,999	2.50	2.00
£25,000 to £24,999	5.75	4.60	£5,000 to £24,999	1.75	1.40
£10,000 to £24,999	5.50	4.40	£2,500 to £24,999	1.50	1.20
PRESTIGE 30 (Issue 2)			SUPER SAVING (DEPOSIT)/SUPER SAVER		
30 days' notice			(Share) (including bonus)		
£100,000 and over	5.60	4.48	£100,000 and over	5.45	4.36
£50,000 to £24,999	5.30	4.24	£50,000 and over	4.45	3.56
£25,000 to £24,999	5.00	4.00	£25,000 to £24,999	4.20	3.36
£10,000 to £24,999	4.70	3.80	£10,000 to £24,999		
£5,000 to £24,999	4.00	3.20	SPECIAL 50*		
£2,500 to £24,999	3.75	3.00	£25,000 and over	4.00	3.20
PRESTIGE 30 (Issue 1)			TWO CITIES*		
Rates reflect those shown above for Prestige 30 (Issue 2) except			£200 and over	3.40	2.72
£2,500 to £24,999	2.15	1.72	AVC*	5.70	-
MONTHLY INCOME ACCOUNT			GROSS NON-RESIDENT*		
7 days' notice. Rate includes 0.5% bonus			£10,000 to £24,999	2.05	-
£100,000 and over	6.90	4.40	£5,000 to £24,999	2.55	-
£50,000 to £24,999	6.50	4.40	£2,500 to £24,999	2.05	-
£25,000 to £24,999	5.25	4.20	£500 to £1,999	1.35	-
£10,000 to £24,999	5.00	4.00			
HIGH RISE (DEPOSIT) AND HIGH RISE (SHARES)					
Interest income			The interest rates on all other accounts will remain unchanged. Interest will be paid gross to non-taxpayers subject to eligibility and the required registration. Otherwise interest will be paid after deduction of income tax at the appropriate rate, currently 20%.		
£100,000 and over	5.25	4.20			
£50,000 to £24,999	4.75	3.80	*These are closed issue accounts.		
£25,000 to £24,999	4.00	3.20			
£10,000 to £24,999	2.00	1.60			
£5,000 to £24,999	2.15	1.72			
£2,500 to £24,999	1.60	1.28			
£1,000 to £24,999	1.40	1.12			
£500 to £499	1.30	1.04			

Breathless Bruguera

John Roberts sees the Spaniard beat Michael Chang at the French Open, page 27

sport

A fast buck

Mike Rowbottom on the clash of the shoe sponsors, page 26

England find a zest for tournament play

When England defeated Poland on Saturday, *Le Tournoi*, the four-nation World Cup appetiser for which the national side flew to France yesterday, became a valid learning exercise. Until then it had been haunted by the ghosts of Forbore.

That was where Graham Taylor's England side, still traumatised by taking one World Cup point in six from matches in Poland and Norway, lost to the United States. They were on a similar World Cup reconnaissance – except it was increasingly evident that they would not actually be in America when it mattered in 1994.

Since Don Revie's England had made a similarly ill-fated trip to Argentina the year before the 1978 World Cup, Hoddle may have had his doubts when he contemplated *Le Tournoi* even though he said last week: "I'm not superstitious".

Saturday's victory has changed the whole nature of England's involvement. What

might have been an introverted, downcast and suspicious playing party left Lunon airport yesterday in buoyant mood. Even so, Hoddle was quick yesterday to underline that the celebratory mood would not be allowed to result in excess. Mindful of the adverse publicity which followed England's last prolonged overseas trip, to Hong Kong, Hoddle indicated that the team would only be allowed out of their hotel under supervision.

"It will be relaxed, but professional," Hoddle said. "Any relaxing away from football will be controlled. We are there for business reasons. The players would not want it any other way, they don't want a Fred Karno's Army with nightclubbing and so on. This is experience for 12 months down the line. If we are to win the World Cup, we will have to make sacrifices."

Paul Gascoigne, a central figure in the Hong Kong high jinks, did travel despite the leg injury he suffered in Poland, as did David Beckham, who took

a knock on the knee. However, Nicky Butt's hamstring has failed to respond to treatment and he has stayed behind. To replace him, Lee Clark flies out today after completing his £2.5m transfer from Newcastle United to relegated Sunderland.

As a schoolboy, Clark was tipped for greatness but injuries and the influx of foreign players on Tyneside has re-

stricted his progress. "He has an immense talent and I was very impressed with him a couple of years ago. He has not become a poor player but for one thing or another he has not had a strenuous season, which means he will be fresh. Like Nicky, he

is a midfielder who likes to get forward."

Clark may make his England debut as the win in Poland has given Hoddle licence to experiment, rather than having to save face. This is especially so in the opening game against

Italy in Nantes tomorrow. With an important World Cup tie coming up in Rome in October, neither side will wish to show their full hand. Then there are fixtures with France, next year's hosts, in Montpellier on 7 June, and Brazil, the World Cup holders, in Paris on 10 June.

Paul Scholes and Andy Cole may make their first starts during the tournament but the

Manchester United player who can really seize his chance is Beckham. Hoddle has already indicated that he will give Beckham an opportunity to shape the play from central midfield rather than react to it from the right flank. His injury and the desire not to give too much away means this is unlikely to happen against Italy.

Phil Neville is another United player who could profit from the experience. Such was his promise against South Africa Graeme Le Saux needed his good match on Saturday just to keep his place.

Hoddle has been forced to abandon his planned experiment of playing Jamie Redknapp as a Matthias Sammer style sweeper but he may, after Gareth Southgate's composed display in Poland, ask the Villa player to play a similar role. As Sammer demonstrated for Borussia Dortmund against Juventus, it is still a job for defending first and creating second – the German barely

went forward at all in their European Cup triumph.

"We have been working with Gareth on seeing and hitting those 60-yard balls behind the defence. He's doing it more and is capable of doing that and stepping up into midfield."

Apart from Germany, who are playing a qualifying game against Ukraine, the tournament features the strongest possible opposition, but none of the other teams are unbeatable. Brazil lost to Norway last week – putting into perspective England's results there – and Ronaldo's mind is less on his international present than his club future.

France, like Brazil short of competitive football, are over-loaded with midfielders and two of them, Zinedine Zidane and Didier Deschamps, will still be reeling from that Dortmund defeat. They are also embroiled in a row over boot money. The Italians, meanwhile, only finished their domestic season on Sunday.

Four players with something to prove in the Tournoi de France

David Beckham
(England, Manchester United, age 22, caps 7)

He has said to play regularly in a central midfield for Manchester United, but it has been obvious to anyone who has seen his debut against Arsenal that he is not yet ready to play there. His ability to see and play a pass would profit from such a role and his shooting would be even more potent. Hoddle has eased him gently into the side and now is the time to hand him a real responsibility. Confident and relatively mature, he has so far taken his rise in his stride.

Djalminha
(Brazil, Palmeiras, age 26, caps 5)

Given that he is keeping himself out of the squad, it would be no surprise if Djalminha appeared dressed as Superman. It is not as simple as that, claims coach Mario Zagallo – this is a chance to assess him against European opposition. The volume of matches is also said to be more of a Brazilian No. 10 as he concentrates on attack rather than hunting the ball, unlike Juninho. Imagine, if you can, that he is still recovering from an eye injury suffered in Munich.

Alessandro Del Piero
(Italy, Juventus, age 22, caps 12)

Once heralded as Italy's great young prospect, injuries, the demands of club, country and military commitments have combined to dull his glitter. But his expertly taken goals, after coming on as a substitute in the European Cup final last week, illustrated his talent. Perhaps his lack of matches will result in a freshness that allows him to regain his place in the spotlight. Unlikely to play against England, as he is still recovering from an eye injury suffered in Munich.

Zinedine Zidane
(France, Juventus, age 24, caps 23)

He failed in the European Championship and failed in the European Cup final in Munich. Is he, like Eric Cantona – the man he superseded – not up to the big occasion? However, his Champions' League performances for Juventus suggest otherwise. As Manchester United found out for themselves, it is hard to believe he is still only 24 and thus still learning. This will be another step in his footballing education, and in our knowledge of him.

Taylor pays for his sportsmanship

Cricket

DEREK PRINGLE
reports from Derby
Australia 362-6 dec & 265-4 dec
Derbyshire 257-9 dec & 371-9
Derbyshire win by one wicket

Mark Taylor may be a man with a cloud hanging over his personal form, but his generosity in keeping Derbyshire in a game that could easily have been stifled was sportsmanship of the highest order. That is not to say he gifted the match Derbyshire's way, for no self-respecting Aussie would do that. Just that he kept to his early tour promise of playing exciting cricket.

And what excitement. In an afternoon that was dominated first by Chris Adams, then by Shane Warne and finally by Dean Jones, the climax could not have been any better timed, as the home team chased the 371 runs from 69 overs needed for victory.

With 11 runs wanted from 11 balls, Derbyshire's No 11, Kevin Dean, came in to face Warne, who had just taken his seventh wicket. Undeterred that he was about to face the greatest spinner of his generation, Dean crisply popped his first ball neatly over the infield for four.

Seven balls later, after a few scrambled singles and a clumsy overthrow for two by Greg Blewett, Dean hit the winning runs as he flat-batted Brendon Julian through the covers. Derbyshire had beaten Australia by one wicket and in doing so run up the highest fourth-innings total in their history.

Speaking afterwards Jones paid tribute to Adams, as well as Paul Aldred, whose father passed away last week. "It will do the boys good," he said. Mind you, he also pointed out that the game had needed three declarations to set it up and that Australia were operating without the services of Andy Bichel and Jason Gillespie, whose bruised toe will hinder him but not keep him out of Thursday's Test match.

Before the thrill of the chase overtook events, the day looked as if it would centre round Adams and Taylor. Taylor's form has long been the subject of discussion in cricket circles and beyond. But with the talk, if not the man, close to reaching crisis point, the saga of Adams, Derbyshire's top scorer, has at least deflected some of the attention away from the Australian captain.

Taylor, a man now used to the terse press conference, was clearly more worried about the injuries his side are now carrying than the loss itself, though these are habits that the whole of Australia will be lamenting and sharpening their knives over.

"My main concern is the injuries and I don't think I'll have 11 fit blokes for the Test. I'm not overly concerned about the result as the top order all had a hit."

Talking about the growing concern over his own form, he said that the 63 he scored here "didn't make a difference. I've got to play in the Test match, it wouldn't be fair to expect guys like Michael Slater to play without having had a first-class knock."

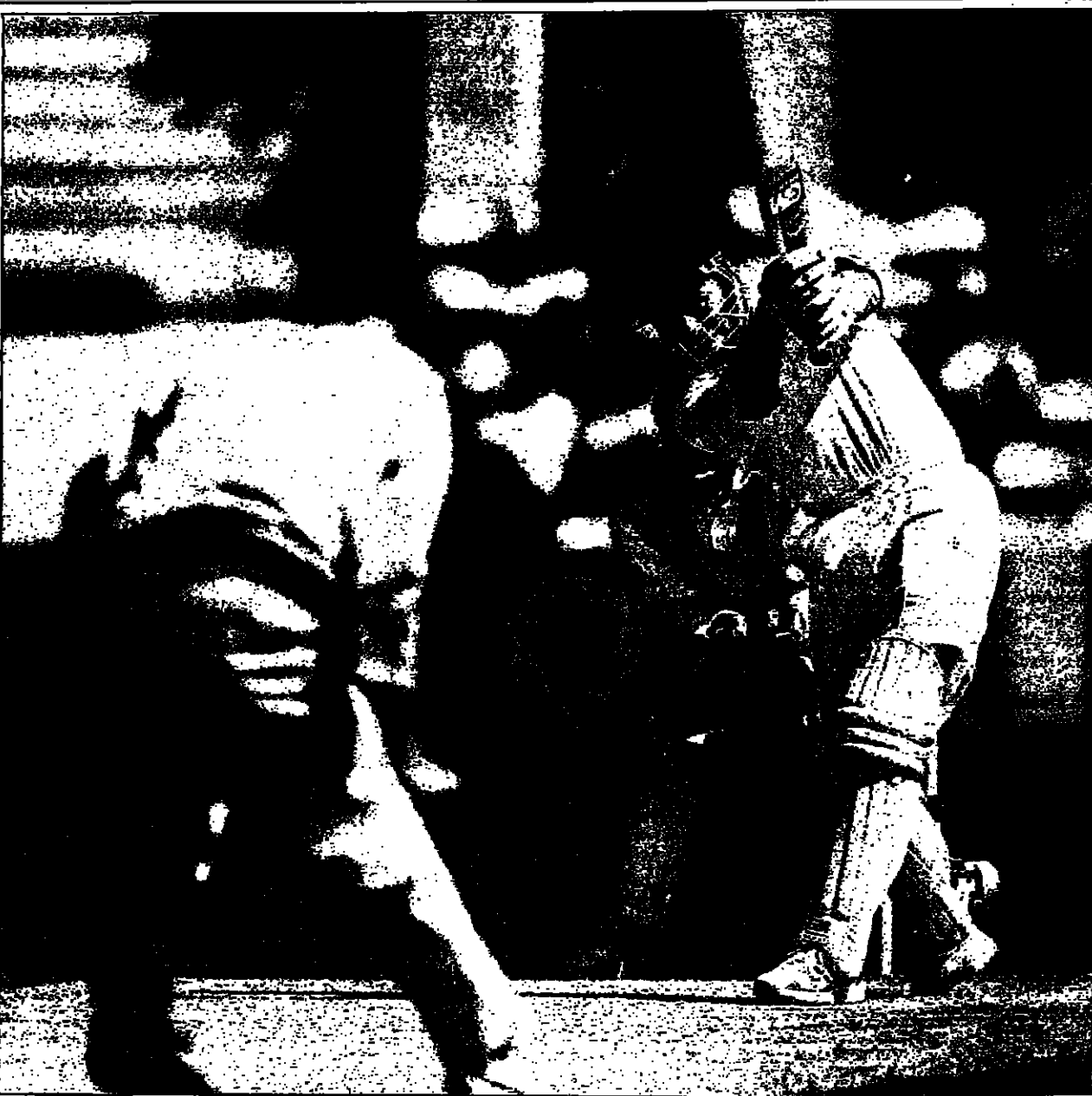
Adams, fined overnight by Derbyshire for showing dissent to the umpire Vanburn Holder, yesterday top-scored with a violent innings of 91 that took just 76 balls. It was clearly the outpouring of a troubled young man, frustrated by matters that go far beyond the initial incident – which included a few choice words with the Aussies – and the fine.

Adams's position in the matter only really became clear when Derbyshire issued a statement through their chairman, Mike Horton. The club gave Adams until lunchtime yesterday to agree to pay the fine. He did not, and now has 14 days in which to lodge an appeal with the English Cricket Board's discipline committee.

Ironically, when Derbyshire were releasing the statement, Adams was busy battering Shane Warne and Michael Bevan to all parts of the ground. In one Warne over, Adams hit two fours and a six. Later he collared Bevan for three fours in four balls as Derbyshire's run chase gained dangerous impetus.

Even when he perished, caught at deep mid-wicket by Glenn McGrath off Warne, Derbyshire continued their mission through their captain, Jones, and a tail that wagged furiously.

Jones, who scored 57, marshalled his lower order quite brilliantly, as 80 runs were added for the last three wickets. If England can do the same under less generous circumstances, beating the Australians could once again become an English disease.



Chris Adams of Derbyshire hits out against Australia's Michael Bevan yesterday

Photograph: Robert Hallam

Hammers' double signing

West Ham yesterday completed the double signing of the midfielder Eyal Berkovitch for £1.75m from Southampton, and Queen's Park Rangers' Andy Impey in a £1.2m deal.

Berkovitch, who has signed a five-year contract, broke off training with the Israeli national squad to travel to London to seal the deal.

Impey, an England Under-21 international winger, has signed for four years – and QPR could yet net a further £200,000 if certain criteria are met.

West Ham's managing director, Peter Storrer, said Berkovitch also held talks with Tottenham before choosing the East London club. "It involved a mad dash to Heathrow but it was well worth it. It was very, very pretty done," he said.

The Hammers' manager, Harry Redknapp, said: "Andy Impey was training with England not so long ago and is a player I have admired for a long time because he has pace, strength, and he can get by people."

"Berkovitch is a tremendous little player who absolutely murdered us at The Dell last season."

However, Redknapp virtually ruled himself out of signing Robert Lee, the Newcastle and England midfielder, at least until next summer when the player is out of contract. "A year down the line, who knows what will happen," he said.

Clark joins Sunderland, page 27

Troubled Wigan facing police investigation

Rugby League

DAVE HADFIELD

Police in Wigan have confirmed they are to investigate alleged irregularities in the proxy votes that kept the club chairman and vice-chairman in power last month.

Jack Robinson and Tom Rathbone were re-elected at an emergency meeting called by shareholders trying to force them out because of their role in selling the Central Park ground for super-market development.

Both men appeared to have lost a vote on a show of hands, but survived when the results of a supervised ballot – including proxy votes – were announced.

Members of the Shareholders Action Group expressed qualms on the night and a file has now been passed to the police who say an investigation will be started. It is understood that one allegation refers to votes supposedly cast in favour of the

board by a shareholder who had been dead for several months.

Peter Norbury, the solicitor acting for the group, said: "There are allegations which, if they were true, would be very serious allegations. Quite separately, we have suggested to Wigan that, as there are doubts about some votes, there should be a reconvened EGM and a new ballot."

Wigan are making no official comment on the allegations, but Robinson has warned that continuing action by the shareholders could jeopardise the club's ability to hang on to their Great Britain winger, Jason Robinson.

Robinson is due to join the Australian Rugby League at the end of this month, but wants to stay at Wigan if they can meet his wage demands – thought to be over £1m for three years.

Robinson's player flew out as part of a 22-man Wigan squad for the first stage of the World Club Championship in Australia at the weekend.

Wigan, who start next Monday against Canterbury, are treating Gary Connolly, Nigel Wright, Darryl Cardis and Gael Talbot for minor knocks, but expect to select from a full-strength squad.

Mal Meninga, coach of Wigan's third opponents, the Canberra Raiders, has predicted an enthusiastic response to the competition in Australia.

"The British clubs will be coming here to prove a point," said Meninga, whose side meet Halifax on Sunday. "That makes them doubly difficult opponents."

"Our fans have been anticipating this tournament with great expectation and, because this is the first competition of its kind, not just in rugby league but probably in world sport, it is certain to attract a great deal of media attention for our game."

Halifax faced the most frantic schedule of any of the British clubs heading for Australia, flying out immediately after their defeat by St Helens on Sunday.

Carver's miraculous recovery

Golf

Matt Carver yesterday completed an astonishing recovery to lead the first qualifying round of the Amateur Championship at Royal St George's, just two weeks after being almost paralysed in a car crash.

The 23-year-old from West Kent – whose father is English but who was born in Australia – was coming back from the Eng-

lish strokeplay championship at Saunton when his car was hit from behind and completely written off. He was knocked unconscious after his head hit the steering wheel and he spent a week in the neurological unit at Bristol's Frenchay Hospital where he suffered total body paralysis for the first two days after the accident.

"The doctor did say there was a chance I might be paralysed for good but thankfully the

feeling began to come back gradually," Carver said.

"The strange thing is I still have completely no feeling at all in both my forearms from the elbows down to the wrists. It's strange but it doesn't seem to affect my golf."

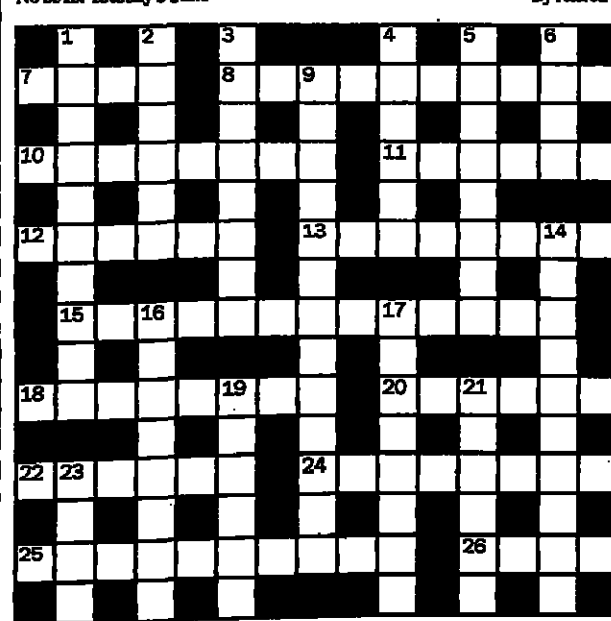
It certainly did not yesterday, when Carver produced an impressive level-par 70 in howling gales, three birdies giving him a three-shot lead over New Zealand's Richard Hislop.

THE INDEPENDENT CROSSWORD

No 3315, Tuesday 3 June

By Astrid

Monday's Solution



PUTUPON GABAREY
A R O L A I H
GAUDI RIGORANCE
E M S W U R G E
A P P E N T I S S E
N G C S U
FOAST IMPATIENS
R A A R E N
O R I N A N G E R A T I O
F G R U
F O R G E H E A R T F E L L Y
I A R E L R N A
C A P T I V A T E A L O N G
E T N T N C U O
R E D R E I S T A K E S I N

ACROSS

- 7 Time and time again accepts article's defensive position (4)
- 8 Having superior nature not seen in open pie? (5-5)
- 10 Prohibit clean-up of hanger-on (8)
- 11 Tie boat up in France and this list is apparent (6)
- 12 A trail which goes up (6)
- 13 One road builder certain to be going nowhere (8)
- 15 A copper arrests another lieutenant to limit going native? (13)
- 18 Pause after a theologian's death to find

DOWN

- 1 Place for hen party? (2-4-4)
- 2 Can set out a position (6)
- 3 Might it make mules act drunkenly? (8)
- 4 Dog would miss nothing in genuine walk (6)
- 5 Vegetable oil distilled after brother takes a small volume (8)
- 6 Man could be misled essentially (4)
- 9 Fixed pieces to mural in gold? (8-5)
- 14 New work going back and forth secures endless pay for idiot (10)
- 16 We hear Prague people will keep popular airport features (5-3)
- 17 I play-act badly which is not normal (8)
- 19 Craft's hot and unattractive all round (6)
- 21 Show regret when imprisoned once more? (6)
- 23 One has to bear hard pain (4)

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